THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

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State of West Virginia
WATER DEVELOPMENT AUTHORITY
180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

Date 8/28/12 Time 1:00 LGA City of Hinton Program CW

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
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The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Joseph Blankenship Telephone 304.466.3255 E-Mail

Address P.O. Box 477, Hinton, WV 25951 mayor

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

THE TOWN OF BEVERLY

WATER REVENUE BONDS, SERIES 2012 A
(WEST VIRGINIA DWTRF PROGRAM); AND
WATER REVENUE BONDS, SERIES 2012 B
(WEST VIRGINIA DWTRF PROGRAM)

BOND ORDINANCE

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THE TOWN OF BEVERLY

ORDINANCE AUTHORIZING ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF BEVERLY AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF BEVERLY OF NOT MORE THAN $3,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM); AND NOT MORE THAN $500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM) PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF BEVERLY:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

Section 1.02. Findings. It is hereby found, determined and declared that:

A. The Town of Beverly (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Randolph County of said State.

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements for the existing public waterworks system of the Issuer, consisting of upgrades to the water distribution

system and treatment plant, together with all necessary appurtenances (collectively, the "Project") (the existing public waterworks system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, in the total aggregate principal amount of not more than $4,300,000 in two or more series (collectively, the "Series 2012 Bonds") initially planned to be the (i) Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) in the aggregate principal amount of not more than $3,800,000 (the "Series 2012 A Bonds") and (ii) Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program) in the aggregate principal amount of not more than $500,000, (the "Series 2012 B Bonds") to permanently finance a portion of the costs of acquisition and construction of the Project, and pay the costs of issuance thereof. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2012 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority including the Administrative Fee (as hereinafter defined) for the Series 2012 Bonds; discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2012 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2012 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 32 years.

F. It is in the best interests of the Issuer that its Series 2012 Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority on behalf of the West Virginia Bureau for Public Health (the "BPH") in the form satisfactory to the respective parties (the "Loan Agreement") approved hereby if not previously approved by resolution of the Issuer.

G. The Issuer has the following outstanding obligations which will rank on a parity with the Series 2012 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Water Revenue Bond, Series 1990 (United States Department of Agriculture), dated

September 17, 1990, issued in the original aggregate principal amount of $350,000 (the "Series 1990 Bonds" or the "Prior Bonds"). The Prior Bonds are payable from and secured by a first lien on the Gross Revenues of the System.

The Series 2012 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. Prior to the issuance of the Series 2012 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2012 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with covenants of the Prior Bonds and the Prior Ordinance.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Series 2012 Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2012 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2012 Bonds or such final order will not be subject to appeal.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2012 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means, collectively, Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Administrative Fee" means the Administrative Fee required to be paid pursuant to the Loan Agreement.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2012 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

"Authorized Officer" means the Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

"Bondholder," "Holder of the Bonds," "Holder," "Registered Owner" or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means the person in whose name such Bond is registered.

"Bond Legislation," "Ordinance," "Bond Ordinance" or "Local Act" means this Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bonds" means, collectively, the Series 2012 Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"Bond Year" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

"Closing Date" means the date upon which there is an exchange of the Series 2012 Bonds for all or a portion of the proceeds of the Series 2012 Bonds from the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

"Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineers" means Ghosh Engineers, Inc., Charleston, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of acquisition and construction of the Project.

"Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Town Council of the Issuer, as it may now or hereafter be constituted.

"Grants" means any grants committed to the Project.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof), or any Tap Fees, as hereinafter defined.

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Issuer" means The Town of Beverly, a municipal corporation and political subdivision of the State of West Virginia, in Randolph County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2012 Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2012 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2012 A Bonds Reserve Account.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, the Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and Paying Agent (all as herein defined), payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding" when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for the Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bond, for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of any Bonds or Prior Bonds registered to the Issuer.

"Parity Bonds" means Parity Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the BPH.

"Prior Bonds" means the Series 1990 Bonds.

"Prior Ordinance" means the ordinances of the Issuer, as supplemented by the supplemental resolutions of the Issuer, authorizing the Prior Bonds.

"Project" means the Project as described in Section 1.02B hereof.

"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior

perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; and

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Recorder" means the Recorder of the Issuer.

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Ordinance.

"Reserve Accounts" means, collectively, the reserve accounts established for the Prior Bonds and the Series 2012 A Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2012 A Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance.

"Series 1990 Bonds" means the Issuer's Water Revenue Bond, Series 1990 (United States Department of Agriculture), dated September 17, 1990, issued in the original aggregate principal amount of $350,000.

"Series 2012 Bonds" means collectively the Series 2012 A Bonds and Series 2012 B Bonds.

"Series 2012 Bonds Construction Trust Fund" means the Series 2012 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2012 A Bonds" means the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2012 A Bonds Reserve Account" means the Series 2012 A Bonds Reserve Account established in Section 5.02 hereof.

"Series 2012 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 A Bonds in the then current or any succeeding year.

"Series 2012 A Bonds Sinking Fund" means the Series 2012 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2012 B Bonds" means the Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), of the Issuer, authorized by this Bond Legislation.

"Sinking Funds" means, the sinking fund account established for the Series 2012 A Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2012 A Bonds and the Series 2012 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2012 Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation or the Prior Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means the existing waterworks system of the Issuer, as expanded and improved by the Project, and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system after the completion of the Project.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund Program established by the State, administered by BPH and funded by capitalized grants awarded to the State pursuant to the Federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $4,335,000, and ordered in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2012 A Bonds and the Series 2012 B Bonds, hereby authorized, shall be applied as provided in Article VI hereof. It is anticipated that he Issuer will receive bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the BPH

The cost of the Project is estimated not to exceed $4,335,000 of which not more than $3,800,000 will be obtained from proceeds of the Series 2012 A Bonds and not more than $500,000 will be obtained from the proceeds of the Series 2012 B Bonds and approximately $35,000 will be obtained as a grant from the West Virginia Infrastructure and Jobs Development Council.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2012 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2012 Bonds of the Issuer. The Series 2012 Bonds shall be issued in two series, each as a single bond, designated respectively as "Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program)", in the principal amount of not more than $3,800,000, and "Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program)", in the principal amount of not more than $500,000 and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2012 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2012 Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. A. The Series 2012 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2012 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency

which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2012 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2012 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2012 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest as specified in a Supplemental Resolution.

B. The Series 2012 B Bonds shall be issued in such principal amount; shall not bear interest; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2012 B Bonds shall be forgivable as to principal.

Unless otherwise provided by the Supplemental Resolution, the Series 2012 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2012 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2012 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2012 Bonds shall cease to be such officer of the Issuer before the Series 2012 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any such Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such

Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2012 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2012 Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2012 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2012 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2012 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2012 Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2012 Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2012 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver,

a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2012 Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2012 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service on the Series 2012 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2012 Bonds and the Prior Bonds and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2012 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2012 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2012 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2012 Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. Executed copies of the Loan Agreement; and

E. The unqualified approving opinions of bond counsel on the Series 2012 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2012 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2012 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE TOWN OF BEVERLY
WATER REVENUE BONDS, SERIES 2012 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2012, THE TOWN OF BEVERLY, a municipal corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee of ___% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, as set forth on EXHIBIT B attached hereto.

This Bond shall not bear interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and

conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) WATER REVENUE BOND, SERIES 1990 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 17, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $350,000 (THE "SERIES 1990 BONDS" OR THE "PRIOR BONDS"); AND (2) WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2012, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $_____ (THE "SERIES 2012 B BONDS") ISSUED SIMULTANEOUSLY HEREWITH.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2012 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2012 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2012 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2012 B Bonds; provided however, that so long as there exists in the Series 2012 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2012 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) by the Registered Owner, or by its attorney duly authorized in writing, upon the

surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE TOWN OF BEVERLY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

_____

In the presence of:

_____

(FORM OF SERIES 2012 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE TOWN OF BEVERLY
WATER REVENUE BONDS, SERIES 2012 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2012, THE TOWN OF BEVERLY, a municipal corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference. The Series 2012 B Bonds are not subject to the DWTRF Administrative Fee (as defined in the hereinafter described Bond Legislation.)

This Bond shall bear no interest. The principal amounts will be deemed forgiven on the 30th day of June of the fiscal year in which advanced. The Bond shall be deemed no longer Outstanding after the last advance is forgiven.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE

AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) WATER REVENUE BOND, SERIES 1990 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 17, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $350,000 (THE "SERIES 1990 BONDS" OR THE "PRIOR BONDS"); AND (2) WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2012, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $_____ (THE "SERIES 2012 A BONDS") ISSUED SIMULTANEOUSLY HEREWITH.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2012 A Bonds, and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Gross Revenues and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2012 A Bonds; provided however, that so long as there exists in the respective reserve accounts an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2012 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the

Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE TOWN OF BEVERLY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2012 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated in this Bond Legislation.

Section 3.12. "Amended Schedule A" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinance) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

(1) Revenue Fund (established by the Prior Ordinance);

(2) Reserve Fund (established by the Prior Ordinance for Series 1990 Bonds);

(3) Renewal and Replacement Fund (established as the Depreciation Account by the Prior Ordinance and hereby renamed and continued); and

(4) Series 2012 Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by Prior Ordinance) with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

(1) Series 2012 A Bonds Sinking Fund; and

(2) Series 2012 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, on the first of each month, transfer from the Revenue Account and remit to the National Finance Office the amounts required to pay the interest, on the Series 1990 Bonds.

(2) The Issuer shall next, on the first of each month, transfer from the Revenue Account and (i) remit to the National Finance Office, the amounts required to pay the principal, on the Prior Bonds as required by Prior Ordinance; and (ii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, for deposit in the Series 2012 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2012 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2012 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first of each month, transfer from the Revenue Account and remit to (i) the Depository Bank amounts required for deposit into the Reserve Fund for the Prior Bonds; and (ii) to the Commission commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, if not fully funded upon issuance of the Series 2012 A Bonds, for deposit in the Series 2012 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2012 A Bonds Reserve Requirement.

(4) The Issuer shall next, each month, pay from the monies in the Revenue Fund all current Operating Expenses.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2½% of the Gross Revenues each month (as previously set forth

in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Prior Bonds and the Series 2012 A Bonds, pro rata, or for any lawful purpose.

Monies in the Series 2012 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2012 A Bonds as the same shall become due. Monies in the Series 2012 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2012 A Bonds as the same shall come due, when other monies in the Series 2012 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2012 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2012 A Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2012 A Bonds Reserve Account which result in a reduction in the balance of such account to below the Reserve Requirement, shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the priority as set forth above, all on a pro rata basis.

As and when additional Bonds ranking on a parity with the Series 2012 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2012 A Bonds Sinking Fund or the Series 2012 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2012 A Bonds issued

pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2012 A Bonds, in accordance with the principal amounts then outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2012 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest, if any, and reserve payments with respect to the Series 2012 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement for the Series 2012 Bonds.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as herein above provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this Section, the Issuer shall make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

F. The monies in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

H. All remittances made by the Issuer to the Commission and the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

I. The Gross Revenues of the System shall only be used for purposes of the System.

J. All Tap Fees shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2012 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2012 A Bonds, there shall be deposited with the Commission in the Series 2012 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2012 A Bonds Reserve Account.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 Bonds Construction Trust Fund and applied solely to payment of the costs of the

Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2012 A Bonds.

C. As the Issuer receives advances of the monies derived from the sale of the Series 2012 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2012 B Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2012 Bonds shall be expended as approved by the BPH.

Section 6.02. Disbursement from the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the net proceeds of the Series 2012 Bonds will be expended and the disbursement procedures for such proceeds. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2012 Bonds Construction Trust Fund shall be made only after submission to the approval from the BPH, of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit B, in compliance with the Issuer's construction schedule, and

(2) a certificate, signed by an Authorized Officer stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2012 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2012 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2012 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2012 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2012 Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2012 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 Bonds, or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service on the Series 2012 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2012 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall provide a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted July 12, 2010, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2012 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2012 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and

take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance and as provided herein and with the written consent of the Authority and the BPH. So long as the Series 2012 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2012 Bonds, immediately be remitted to the Commission for deposit in the Series 2012 A Bonds Sinking Fund, and pro rata with respect to the principal amount of each of the Bonds then outstanding and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2012 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, by resolution, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2012 Bonds. All obligations issued by the Issuer after the issuance of the Series 2012 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2012 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2012 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2012 Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional Parity Bonds payable out of the revenues of the System, shall be issued after the issuance of the Series 2012 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the BPH and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All Parity Bonds issued hereafter shall be on a parity in all respects with the Series 2012 Bonds.

No Parity Bonds shall be issued except for the purposes of financing the costs of design, acquisition and construction of additions, betterments or improvements to the System or refunding the Bonds issued pursuant hereto, or both such purposes.

So long as the Series 1990 Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

So long as the Series 2012 Bonds are outstanding, no such Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds and shall not exceed the amount to be stated in a certificate of Independent Certified Public Accountants, which shall be filed in the office of the Recorder of the Issuer prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate filed with the Recorder, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All the covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2012 Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System, and their source of and security for payment from said revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this

Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Series 2012 Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the revenues remaining after all payments required to be made in accordance with this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Series 2012 Bonds except in the manner and under the conditions provided in this section.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation on account of the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of issuance of the Parity Bonds and the Issuer is then in full compliance with all the covenants, agreements and terms of this Bond Legislation and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the BPH such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Authority and the BPH, or any other original purchaser of the Series 2012 Bonds, and shall mail in each year to any Holder or Holders of the Series 2012 Bonds, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2012 Bonds and shall submit the report to the Authority, or any other original purchaser of the Series 2012 Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the Authority and the BPH, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the BPH with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2012 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2012 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2012 Bonds; provided that, in the event that, an amount equal to or in excess of the reserve requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2012 Bonds, are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2012 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2012 Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance currently in effect.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the BPH within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the BPH and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at

all reasonable times to the Authority, the BPH and any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the BPH covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, the BPH and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit As-Built Plans, as defined in the DWTRF Regulations, to the Issuer within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the Issuer when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all State and Federal standards. The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Authority. Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as the Series 2012 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repair or

reconstruction of such damages or destroyed portion or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

(4) FIDELITY BONDS will be provided as to every officer and employee of the Board or the Issuer having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

(5) FLOOD INSURANCE, if the System facilities are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(6) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public

liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the BPH, and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling, or building intended to be served by the System to connect thereto.

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia, the West Virginia Infrastructure and Jobs Development Council and the BPH necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2012 Bonds required by State law, with all appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the BPH with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable federal and state statutes, rules and regulations, the applicable Crosscutter Authorities and all applicable ordinances issued by the Authority, the BPH or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by the Authority and the Public Service Commission of West Virginia.

Section 7.19. [RESERVED]

Section 7.20. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2012 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2012 Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2012 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the BPH and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2012 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2012 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own

investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2012 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2012 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2012 Bonds as a condition to issuance of the Series 2012 Bonds.

In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2012 Bonds as may be necessary in order to maintain the status of the Series 2012 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2012 Bonds which would cause any Bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, or the BPH, as the case may be, from which the proceeds of the Series 2012 Bonds are derived, to lose their status as tax-exempt Bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, or the BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2012 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2012 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2012 Bonds;

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2012 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2012 Bonds, and such default shall have continued for a period of 30 days after the

Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond;

(3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4) If default occurs with respect to the Prior Bonds or the Prior Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2012 Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond

Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver.

Such receiver, in the performance of the powers herein above conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2012 Bonds, the principal of and interest, if any, due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2012 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2012 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2012 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2012 Bonds, no material

modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2012 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2012 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2012 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2012 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2012 Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2012 Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Notices. All notices to be sent to the Issuer, the Authority or the BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

The Town of Beverly
One Walnut Street
Beverly, West Virginia 26253
Attention: Mayor

AUTHORITY:

Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Attention: Director

BPH:

West Virginia Bureau for Public Health
350 Capitol Street, Room 313
Charleston, West Virginia 25301
Attention: Environmental Engineering

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, this Section shall not be applicable to the Prior Ordinance. In the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive) so long as the Prior Bonds are outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Inter-Mountain,* a newspaper of general circulation in The Town of Beverly, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.09 Effective Date. This Ordinance shall take effect immediately following the public hearing hereon.

Passed on First Reading:	June11, 2012
Passed on Second Reading:	July 9, 2012
Passed on Final Reading Following Public Hearing:	August 13, 2012

Mayor

5714085

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE TOWN OF BEVERLY on the 13th day of August, 2012.

Dated: August 29, 2012.

[SEAL]

Barbara Smith

Recorder

5714085

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), AND WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM) OF THE TOWN OF BEVERLY; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The Town of Beverly (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective August 29, 2012 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF BEVERLY AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF BEVERLY OF NOT MORE THAN $3,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM); AND NOT MORE THAN $500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM) PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR

THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Ordinance when used herein;

WHEREAS, the Bond Ordinance provides for the issuance of Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) in an aggregate principal amount not to exceed $3,800,000 (the "Series 2012 A Bonds") and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program) in an aggregate principal amount not to exceed $500,000 (the "Series 2012 B Bonds" and together with the Series 2012 A Bonds, the "Series 2012 Bonds"), and has authorized the execution and delivery of the Loan Agreement relating to the Series 2012 A Bonds and Series 2012 B Bonds, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health for the Series 2012 A Bonds and Series 2012 B Bonds (the "Loan Agreement"), all in accordance with Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Series 2012 Bonds should be established by a supplemental resolution pertaining to the Series 2012 Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF BEVERLY:

Section 1. Section 2.01 of the Bond Ordinance is hereby revised in its entirety as follows:

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction

of the Project, at an estimated cost of $3,892,000, and ordered in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2012 A Bonds and the Series 2012 B Bonds, hereby authorized, shall be applied as provided in Article VI hereof. It is anticipated that he Issuer will receive bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the BPH.

The cost of the Project is estimated not to exceed $3,892,000 of which $3,800,000 will be obtained from proceeds of the Series 2012 A Bonds, $50,000 will be obtained from the proceeds of the Series 2012 B Bonds, $35,000 will be obtained from a grant from the West Virginia Infrastructure Fund and $7,000 will be obtained from a contribution from the Issuer.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $3,800,000. The Series 2012 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2044, and shall bear no interest. The principal of the Series 2012 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014 to and including March 1, 2044, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2012 A Bonds. The Series 2012 A Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2012 A Bonds. The Series 2012 A Bonds will be subject to an Administrative Fee of 1.0% which shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014, as set forth on EXHIBIT B attached hereto.

Section 3. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $50,000. The Series 2012 B Bonds shall be dated the date of delivery thereof and shall bear no interest. The principal amounts advanced under the Series 2012 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2012 B Bonds shall be deemed no longer outstanding after the last advance is forgiven. The Series 2012 B Bonds may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the BPH, and otherwise in compliance with, the Loan Agreement. The Series 2012 B Bonds are not subject to an Administrative Fee.

Section 4. All other provisions relating to the Series 2012 Bonds and the text of each series of the Series 2012 Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 5. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby accepts and agrees to all covenants and representations made in the Loan Agreement and in the applications to the Authority and the BPH. The price of the Series 2012 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2012 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 6. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 7. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 8. The Issuer does hereby appoint and designate Citizens Bank of West Virginia, Elkins, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 9. Series 2012 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2012 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Series 2012 A Bonds shall be deposited in or credited to the Series 2012 Bonds Construction Trust Fund as received from the BPH from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2012 A Bonds and related costs.

Section 11. The balance of the proceeds of the Series 2012 B Bonds shall be deposited in or credited to the Series 2012 Bonds Construction Trust Fund as received from the BPH from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2012 B Bonds and related costs.

Section 12. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about, August 29, 2012, to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2012 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 13th day of August, 2012.

By:_____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The Town of Beverly on the 13th of August, 2012.

Dated: August 29, 2012.

[SEAL]

Barbara Smith
Recorder

074550.00003

5715138

DWTRF
(08/10)

LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

THE TOWN OF BEVERLY (2007W-968SC)
(Local Entity)

W I T N E S S E T H:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition §66.458 (1998)) and BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is to be administered and managed by the Authority under the direction of the BPH;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the design, acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

WHEREAS, the Local Entity is included on the BPH State Project Priority List and the Intended Use Plan and has met BPH's pre-application requirements for the Program;

WHEREAS, the Local Entity is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a drinking water project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Entity;

WHEREAS, the Local Entity intends to construct, is constructing or has constructed such a drinking water project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Entity has completed and filed with the Authority and BPH an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and BPH are willing to lend the Local Entity the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Entity with moneys held in the Fund, subject to the Local Entity's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Entity, BPH and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local entity," and "project" have the definitions and meanings ascribed to them in the Act or in the DWTRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

1.4 "Loan" means the loan to be made by the Authority and BPH to the Local Entity through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.5 "Local Act" means the official action of the Local Entity required by Section 4.1 hereof, authorizing the Local Bonds.

1.6 "Local Bonds" means the revenue bonds to be issued by the Local Entity pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

1.7 "Local Statute" means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Bonds are issued.

1.8 "Operating Expenses" means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles.

1.9 "Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

1.10 "Project" means the drinking water project hereinabove referred to, to be constructed or being constructed by the Local Entity in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Entity in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.11 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations.

1.12 "System" means the drinking water system owned by the Local Entity, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.13 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the design, construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Entity by the Consulting Engineers, the BPH and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Entity has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Entity by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Entity, subject to any mortgage lien or

other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by BPH and the Authority.

2.4 The Local Entity agrees that the Authority and BPH and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Entity further agrees that the Authority and BPH and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and BPH with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Entity shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Entity shall permit the Authority and BPH, acting by and through their directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Entity shall submit to the Authority and BPH such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Entity agrees that it will permit the Authority and BPH and their respective agents to have access to the records of the Local Entity pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

2.7 The Local Entity shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Entity shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and BPH

and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Entity, the Local Entity or (at the option of the Local Entity) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Entity, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Entity on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Entity must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, BPH and the Local Entity at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

2.10 The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State. If the Local Entity is a newly established water system, the Local Entity must employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The newly established Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Entity hereby covenants and agrees to comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all applicable local ordinances issued by the Authority,

BPH or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Entity, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit A and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority.

2.13 The Local Entity, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward such forms to BPH in compliance with the Local Entity's construction schedule.

2.14 The Local Entity shall serve the additional customers at the location(s) as set forth in Schedule X. The Local Entity shall not reduce the amount of additional customers served by the project without the prior written approval of the WDA Board. Following completion of the Project the Local Entity shall certify to the Authority the number of customers added to the System.

2.15 The Local Entity shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by the Authority and the PSC.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and BPH to make the Loan is subject to the Local Entity's fulfillment, to the satisfaction of the Authority and BPH, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended;

(b) The Local Entity shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Entity shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(d) The Local Entity shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided, that, if the Loan will refund an interim construction financing, the Local Entity must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and BPH shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit C;

(e) The Local Entity shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority and BPH shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Entity shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

(g) The Local Entity shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

(h) The Local Entity shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and

BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and BPH shall have received a certificate of the accountant for the Local Entity, or such other person or firm experienced in the finances of local entities and satisfactory to the Authority and BPH, to such effect;

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and BPH shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of drinking water projects and satisfactory to the Authority and BPH, to such effect, such certificate to be in form and substance satisfactory to the Authority and BPH, and evidence satisfactory to the Authority and BPH of such irrevocably committed grants; and

(k) The Local Entity shall have obtained 100% of the titles, easements and rights-of-way, or shall have received rights-of-entry for the same and the Authority and BPH shall receive an opinion of counsel to the Local Entity, satisfactory to the Authority and BPH, to such effect.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the BPH, including the DWTRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Entity and the Local Entity shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Entity shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Entity by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, BPH and the Local Entity. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority.

3.5 The Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and BPH for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Entity specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of BPH or such later date as is agreed to in writing by the BPH.

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the special requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

3.7 The Local Entity shall comply with the following conditions:

(a) The Local Entity shall develop and implement an asset management plan in accordance with BPH guidelines and approved by BPH.

(b) The Local Entity shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying.

(c) The Local Entity shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price

exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

(d) The Local Entity shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by BPH, the Local Entity shall provide certifications as to compliance.

(e) The Local Entity shall comply with all requests for data related to the use of the funds provided under this agreement.

(f) The Local Entity shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this Agreement and (2) interview any officer or employee of the Local Entity.

(g) The Local Entity must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Agreement.

(h) The Local Entity shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

(i) The Local Entity shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than the higher of those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code or the prevailing wage rate set by the State. The Local Entity must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

(j) Pursuant to 40 CFR, Section 33.301, the Local Entity agrees to make Disadvantage Business Enterprise (DBE) good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also

comply. The Local Entity shall provide BPH with DBE participation reports semi-annually.

(k) The Local Entity shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Entity shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and Local Entities, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

ARTICLE IV

Local Bonds; Security for Loan; Repayment of Loan; Interest on Loan; Fees and Charges

4.1 The Local Entity shall, as one of the conditions of the Authority and BPH to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Entity in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on

the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

(iv) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

Provided that if the Local Entity has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues, as applicable, of the System as provided in the Local Act;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Entity will complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the DWTRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of the System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Entity shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority;

(vi) That the Local Entity will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Local Entity will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Entity under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Local Entity will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority. If the Local Entity receives $500,000 or more (in any combination of federal funds) in a fiscal year, the audit shall be obtained in accordance with the Single Audit Act (as amended from time to time) and the applicable OMB Circular (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Entity shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority within 30 days of adoption thereof;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Entity and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding of such Local Entity, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the BPH, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Entity may authorize redemption of the Local Bonds with 30 days written notice to BPH and the Authority;

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for all Local Bonds;

(xvii) That the Local Entity shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Entity shall complete the Monthly Payment Form, attached hereto as Exhibit E and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month. The Local Entity shall make monthly payments to the Commission by electronic transfer;

(xviii) That, if required by the Authority and BPH and, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Entity will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Entity shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and BPH is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid; and

(xxi) That the Local Entity shall submit all proposed change orders to the BPH for written approval. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds held in

"contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Entity hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit F.

4.2 The Loan shall be secured by the pledge and assignment by the Local Entity, as effected by the Local Act, of the fees, charges and other revenues of the Local Entity from the System.

4.3 At least two and one-half percent (2½%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Entity, the BPH and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the DWTRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Entity. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the DWTRF Regulations, the Local Entity agrees to pay from time to time, if required by the Authority and BPH, the Local Entity's allocable share of the reasonable administrative expenses of the BPH and the Authority relating to the Program. Such administrative expenses shall be determined by the BPH and the Authority and shall include, without limitation, Program expenses, legal fees paid by the

BPH and the Authority and fees paid for any bonds or notes to be issued by the Authority for contribution to the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V

Certain Covenants of the Local Entity; Imposition and Collection of User Charges; Payments To Be Made by Local Entity to the Authority

5.1 The Local Entity hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Entity hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Local Entity hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Local Entity defaults in any payment due to the Authority pursuant to this Loan Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, the Authority

may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Entity

6.1 The Local Entity hereby acknowledges to the Authority and BPH its understanding of the provisions of the Act, vesting in the Authority and BPH certain powers, rights and privileges with respect to drinking water projects in the event of default by local entities in the terms and covenants of this Loan Agreement, and the Local Entity hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Entity shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Entity hereby warrants and represents that all information provided to the Authority and BPH in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and BPH shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the DWTRF Regulations or this Loan Agreement.

6.3 The Local Entity hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Entity hereby covenants that, if required by the Authority, it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Entity fails to make any such rebates as required, then the Local Entity shall pay

any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Entity to be monitored or cause the rebate calculations for the Local Entity to be prepared, in either case at the expense of the Local Entity.

6.6 The Local Entity hereby agrees to give the Authority prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Entity hereby agrees to file with the Authority upon completion of acquisition and construction of the Project a schedule setting forth the actual costs of the Project and sources of funds.

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Entity supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.5 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Entity specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Entity from either the Authority or BPH;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the BPH if the Local Entity has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and BPH pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

THE TOWN OF BEVERLY

(SEAL)

By: _____
Its: Mayor
Date: August 29, 2012

Attest:

Barbara Smith
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: August 29, 2012

Attest:

Sheila A. Miller
Its: Authorized Officer

{C2374527.1}

EXHIBIT A

Monthly Financial Report

Name of Local Entity: _____

Funding Agency Project No.: _____

Type of Project: ☐ Water ☐ Wastewater

Fiscal Year: _____

Report Month: _____

Item	Current Month	Total Year to Date	Budget Year to Date	*Budget Year to Date Minus Total Year to Date
1. Gross Revenues:	0	0	0	0
2. Operating Expenses: (Including Admin Fees)	0	0	0	0
3. Renewal and Replacement Fund Deposits:	0	0	0	0
	Adequate R&R Deposit	**Adequate R&R Deposit**	**Adequate R&R Deposit**	
4. ***Net Revenue: (Equation: 1-2-3)**	**0**	**0**	**0**	**0**
5. Bond Payments: (Principal and Interest)				
Type of Issue				
Clean water SRF:				0
Drinking water SRF:				0
Infrastructure Fund:				0
Water Dev. Authority:				0
Rural Utilities Service:				0
Economic Development:				0
Other: (Identify Below)				0
Total Reserve Payments for all Loans Listed Above:				0
6. ***Bond Payment Total:**	**0**	**0**	**0**	**0**
7. ***Calculated Debt Coverage: (Equation: 4/6 * 100%)**	**#DIV/0! #DIV/0!**	**#DIV/0! #DIV/0!**	**#DIV/0! #DIV/0!**	

_____
Name of Person Completing Form / Date

_____
Address

_____
Telephone Number

Please enter financial data in Grey cells. (If applicable)
*** Self Calculating Formula**

{C2374527.1}

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Local Entity to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Entity according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Entity.

The Local Entity must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT B

PAYMENT REQUISITION FORM

EXHIBIT C

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No._____, of _____Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words used herein and not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____,and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by BPH and any change orders approved by the Issuer, BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then

for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by BPH; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this ____day of _____, _____.

[SEAL]

_____

By:

_____

West Virginia License No. _____

---

insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

[2]If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT D

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Entity agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with federal money, (1) the percentage of the total costs of the program or project which will be financed with federal money, (2) the dollar amount of federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. EXHIBIT D-1 – The Local Entity shall complete the form attached as Exhibit D-1 and submit to the BPH prior to the Closing.

EXHIBIT D-1

For DHHR Use Only:
Grant Number _____

West Virginia Department of Health and Human Resources
Subrecipient (Grantee) Information Form
Please see the instructions for Completion of the Subrecipient (Grantee) Information Form

1. Subrecipient (Grantee) Name

2. Subrecipient (Grantee) Location (Street Address, City State and Zip Code)

3. Subrecipient (Grantee) 9-Digit DUNS Number

4. Subrecipient (Grantee) Type (Please check one box only)

- ☐ State Government
- ☐ County Government
- ☐ City or Township Government
- ☐ Special District Government
- ☐ Regional Organization
- ☐ U.S. Territory or Possession
- ☐ Independent School District
- ☐ Public/State Controlled Institution of Higher Learning
- ☐ Indian/Native American Tribal Government (Federally Recognized)
- ☐ Indian/Native American Tribal Government (Other than Federally Recognized)
- ☐ Indian/Native American Tribally Designated Organization
- ☐ Public/Indian Housing Authority
- ☐ Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)
- ☐ Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)
- ☐ Private Institution of Higher Education
- ☐ Individual
- ☐ For-Profit Business (Other than Small Business)
- ☐ Small Business
- ☐ Hispanic-serving Institution
- ☐ Historically Black Colleges and Universities (HBCUs)
- ☐ Tribally Controlled Colleges and Universities (TCCUs)
- ☐ Alaska Native and Native Hawaiian Serving Institutions
- ☐ Non-domestic (non-US) entity
- ☐ Other (Please explain) _____

5. Primary Performance Location (Street Address, City State and Zip Code)

6. Names, Titles and Total Compensation for the 5 Most Highly Compensated Officers

Officer Name	Title	Total Compensation

NOTE: This form must be signed by an individual no lower than the Executive Director or Chief Financial Officer.

Printed Name _____ Title _____

Signature _____ Date _____ Phone # _____

DHHR Finance A-1000

EXHIBIT E

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission

on behalf of _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest $_____

Principal $_____

Total: $_____

Reserve Account: $_____

Witness my signature this ___ day of _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

{C2374527.1}

EXHIBIT F

OPINION OF BOND COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

West Virginia Bureau for Public Health
815 Quarrier Street, Suite 418
Charleston, WV 25301-2616

Ladies and Gentlemen:

We are bond counsel to _____(the "Local Entity"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, dated _____(the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____1, ____, and ending _____1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____duly adopted or enacted by the Local Entity on _____, as supplemented by the supplemental resolution duly adopted by the Local Entity on _____(collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan

Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Local Entity and is a valid and binding special obligation of the Local Entity, enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and the BPH and cannot be amended so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Local Entity without the consent of the Authority and the BPH.

3. The Local Entity is a duly organized and validly existing_____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Entity and constitute valid and binding obligations of the Local Entity, enforceable against the Local Entity in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Entity to the Authority and are valid, legally enforceable and binding special obligations of the Local Entity, payable from the gross or net revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the gross or net revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series A Bonds (CWSRF Base Program)

Principal Amount of Local Bonds	$3,800,000
Purchase Price of Local Bonds	$3,800,000

The Local Bonds shall bear no interest. Commencing June 1, 2014, principal of the Local Bonds is payable quarterly, with an administrative fee of 1%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal only and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

Number of New Customers: 0
Location: N/A

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government: The Town of Beverly Water Revenue Bond, Series 1990 (United States Department of Agriculture), dated September 17, 1990, issued in the original aggregate principal amount of $350,000.

B. Series B Bonds (DWTRF Forgiveness)

Principal Amount of Local Bonds	$50,000
Purchase Price of Local Bonds	$50,000

The Local Bonds shall bear no interest. The Authority at the direction of the BPH shall forgive the principal amount of the Local Bonds. The principal amounts advanced under the Series 2012 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2012 B Bonds shall be deemed no longer outstanding after the last advance is forgiven.

The Local Bonds are fully registered in the name of the Authority.

The Local Government shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Local Bonds.

The Local Government shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

SCHEDULE Y
DEBT SERVICE SCHEDULE

Net Debt Service
Town of Beverly
DWTRF
$3,800,000
0% Interest Rate
1% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2014	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2014	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2014	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2015	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2015	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2015	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2015	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2016	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2016	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2016	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2016	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2017	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2017	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2017	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2017	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2018	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2018	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2018	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2018	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2019	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2019	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2019	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2019	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2020	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2020	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2020	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2020	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2021	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2021	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2021	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2021	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2022	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2022	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2022	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2022	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2023	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2023	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2023	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2023	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2024	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2024	31,667		31,667	4,789.56		36,456.56
9/1/2024	31,667		31,667	4,789.56		36,456.56
12/1/2024	31,667		31,667	4,789.56		36,456.56
3/1/2025	31,667		31,667	4,789.56		36,456.56
6/1/2025	31,667		31,667	4,789.56		36,456.56
9/1/2025	31,667		31,667	4,789.56		36,456.56

Net Debt Service
Town of Beverly
DWTRF
$3,800,000
0% Interest Rate
1% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2025	31,667		31,667	4,789.56		36,456.56
3/1/2026	31,667		31,667	4,789.56		36,456.56
6/1/2026	31,667		31,667	4,789.56		36,456.56
9/1/2026	31,667		31,667	4,789.56		36,456.56
12/1/2026	31,667		31,667	4,789.56		36,456.56
3/1/2027	31,667		31,667	4,789.56		36,456.56
6/1/2027	31,667		31,667	4,789.56		36,456.56
9/1/2027	31,667		31,667	4,789.56		36,456.56
12/1/2027	31,667		31,667	4,789.56		36,456.56
3/1/2028	31,667		31,667	4,789.56		36,456.56
6/1/2028	31,667		31,667	4,789.56		36,456.56
9/1/2028	31,667		31,667	4,789.56		36,456.56
12/1/2028	31,667		31,667	4,789.56		36,456.56
3/1/2029	31,667		31,667	4,789.56		36,456.56
6/1/2029	31,667		31,667	4,789.56		36,456.56
9/1/2029	31,667		31,667	4,789.56		36,456.56
12/1/2029	31,667		31,667	4,789.56		36,456.56
3/1/2030	31,667		31,667	4,789.56		36,456.56
6/1/2030	31,667		31,667	4,789.56		36,456.56
9/1/2030	31,667		31,667	4,789.56		36,456.56
12/1/2030	31,667		31,667	4,789.56		36,456.56
3/1/2031	31,667		31,667	4,789.56		36,456.56
6/1/2031	31,667		31,667	4,789.56		36,456.56
9/1/2031	31,667		31,667	4,789.56		36,456.56
12/1/2031	31,667		31,667	4,789.56		36,456.56
3/1/2032	31,667		31,667	4,789.56		36,456.56
6/1/2032	31,667		31,667	4,789.56		36,456.56
9/1/2032	31,667		31,667	4,789.56		36,456.56
12/1/2032	31,667		31,667	4,789.56		36,456.56
3/1/2033	31,667		31,667	4,789.56		36,456.56
6/1/2033	31,667		31,667	4,789.56		36,456.56
9/1/2033	31,667		31,667	4,789.56		36,456.56
12/1/2033	31,667		31,667	4,789.56		36,456.56
3/1/2034	31,667		31,667	4,789.56		36,456.56
6/1/2034	31,666		31,666	4,789.56		36,455.56
9/1/2034	31,666		31,666	4,789.56		36,455.56
12/1/2034	31,666		31,666	4,789.56		36,455.56
3/1/2035	31,666		31,666	4,789.56		36,455.56
6/1/2035	31,666		31,666	4,789.56		36,455.56
9/1/2035	31,666		31,666	4,789.56		36,455.56
12/1/2035	31,666		31,666	4,789.56		36,455.56
3/1/2036	31,666		31,666	4,789.56		36,455.56
6/1/2036	31,666		31,666	4,789.56		36,455.56
9/1/2036	31,666		31,666	4,789.56		36,455.56
12/1/2036	31,666		31,666	4,789.56		36,455.56
3/1/2037	31,666		31,666	4,789.56		36,455.56

Net Debt Service
Town of Beverly
DWTRF
$3,800,000
0% Interest Rate
1% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2037	31,666		31,666	4,789.56		36,455.56
9/1/2037	31,666		31,666	4,789.56		36,455.56
12/1/2037	31,666		31,666	4,789.56		36,455.56
3/1/2038	31,666		31,666	4,789.56		36,455.56
6/1/2038	31,666		31,666	4,789.56		36,455.56
9/1/2038	31,666		31,666	4,789.56		36,455.56
12/1/2038	31,666		31,666	4,789.56		36,455.56
3/1/2039	31,666		31,666	4,789.56		36,455.56
6/1/2039	31,666		31,666	4,789.56		36,455.56
9/1/2039	31,666		31,666	4,789.56		36,455.56
12/1/2039	31,666		31,666	4,789.56		36,455.56
3/1/2040	31,666		31,666	4,789.56		36,455.56
6/1/2040	31,666		31,666	4,789.56		36,455.56
9/1/2040	31,666		31,666	4,789.56		36,455.56
12/1/2040	31,666		31,666	4,789.56		36,455.56
3/1/2041	31,666		31,666	4,789.56		36,455.56
6/1/2041	31,666		31,666	4,789.56		36,455.56
9/1/2041	31,666		31,666	4,789.56		36,455.56
12/1/2041	31,666		31,666	4,789.56		36,455.56
3/1/2042	31,666		31,666	4,789.56		36,455.56
6/1/2042	31,666		31,666	4,789.56		36,455.56
9/1/2042	31,666		31,666	4,789.56		36,455.56
12/1/2042	31,666		31,666	4,789.56		36,455.56
3/1/2043	31,666		31,666	4,789.56		36,455.56
6/1/2043	31,666		31,666	4,789.56		36,455.56
9/1/2043	31,666		31,666	4,789.56		36,455.56
12/1/2043	31,666		31,666	4,789.56		36,455.56
3/1/2044	31,666		31,666	4,789.56		36,455.56
	3,800,000		3,800,000	574,747.20	126,668.00	4,501,415.20

Notes:

Estimated Monthly Net Debt Service Payments rounded up to the nearest cent:

$13,207.76 March 1, 2014 through February 1, 2024

$11,818.86 March 1, 2024 through May 1, 2034

$11,818.52 June 1, 2034 through February 1, 2044

Admin Fee calculated based on 1% of bond value computed quarterly paid in equa

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
7/27/2011

Entered: July 7, 2011

CASE NO. 11-0408-W-CN

TOWN OF BEVERLY
a municipal utility, Beverly, Randolph County,
Application for certificate of convenience and necessity for the upgrade of the Town's existing water system and treatment plant and for approval of related financing.

RECOMMENDED DECISION

On March 24, 2011, the Town of Beverly (Utility) filed an application for a certificate of convenience and necessity to upgrade the Utility's water distribution system and treatment plant.

On March 24, 2011, the Commission ordered the Utility to publish notice of its filing. The Utility filed an affidavit of publication indicating proper publication of the Notice of Filing on May 26, 2011. There have been no protests filed pursuant to the notice.

On April 5, 2011, the Commission referred the matter, requiring a decision on or before August 8, 2011.

On June 22, 2011, Staff recommended that the Utility be granted a certificate.

FINDINGS OF FACT

1. The Utility provides water service to 1,150 customers including one resale customer, the Huttonsville Public Service District, and one large commercial customer, Bruce Hardwood. (Staff filing of June 22, 2011).

2. The Utility's project has been approved by the West Virginia Infrastructure and Jobs Development Council. (WVIJDC Project No. 2007W-968).

3. The Utility suffers from a high level of unaccounted-for water and low water pressure problems. The Utility's current system cannot provide adequate fire flows under all plausible hydraulic scenarios. (Staff filing of June 22, 2011).

4. By replacing a significant amount of old cast-iron mains, the project should reduce the unaccounted-for water losses, improve reliability, improve the level of customer service, and reduce operational and maintenance costs. (Id.).

5. The Utility's existing water treatment plant has several

operational and/or design problems which reduce the reliability of the facility. The project will correct some of these deficiencies in a cost-effective manner and enable the Utility to continue to operate reliably well into the next decade. (Staff filing of June 22, 2011).

6. Failing to proceed with the project would result in a continued loss of water quality and, eventually, during low river conditions, a complete loss of water production at the plant. (Id.).

7. The project consists of four contracts. Contract 1 is for upgrades to the water treatment plant, including relocating the existing river intake screen, replacing existing controls, replacing filter media, installing baffles in the clearwell, replacing all pneumatic valves with electric valves, adding a filter-to-waste cycle during backwash, and repairing a small existing dam. (Id.).

8. Contract 2 includes waterline replacements which will allow the Utility to provide fire service to Dotson Run Road and Files Creek Road. The Contract also boosts pressure in low pressure areas on Dotson Run. The Contract will replace a 2-inch water line on Sugar Creek Road with a 6-inch water line and extend fire service to the upper section of Sugar Creek Road. (Id.).

9. Contract 3 will replace an old debilitated cast-iron line along Main Street from Edmunton Street to the intersection of Route 219 to the intersection of Files Creek Road and construct new 10-inch lines to Bruce Hardwood. The Contract also replaces various old cast-iron lines in the business district and residential sections of the town off of Main Street using additive alternatives. (Id.).

10. Contract 4 constructs a new 150,000-gallon water storage tank at the end of Sugar Creek Road which will resolve low pressure problems in the area and give the Utility the ability to extend their system up Files Creek and other outlying areas in the future. (Id.).

11. The project will result in the removal from service of the Kings Run storage tank which has a capacity of 600,000 gallons. The project will also result in the removal from operation of a booster station which currently draws water from a tank to feed the Kings Run tank. A new booster station will be constructed on Dotson Run to draw water out of Tank 1 to feed the Kings Run area and the new Sugar Creek tank. (Id.).

12. The proposed project is estimated to cost $3,885,000 of which construction costs are $3,119,500. (Id.).

13. The basic engineering design services for the project are about 4% of construction costs which is reasonable and fall within the fee range set out in the ASCE Manual 45. (Id.).

14. The project is viable and appropriate. (Id.).

15. The plans and other technical documents submitted with the application show no apparent conflicts with the Commission's rules. (Id.).

16. The West Virginia Bureau of Public Health has issued a permit approving the project. (WVBPH Permit No. 18,745).

17. The project will have no immediate impact on the Utility's operation and maintenance costs but should reduce operation and maintenance costs in the long run. (Staff filing of June 22, 2011).

18. The Utility has secured most of the major permits and approvals associated with the project. One significant exception is for the Division of Culture and History permit. (Staff filing of June 22, 2011).

19. The project will be financed through a $50,000 Drinking Water Treatment Revolving Fund (DWTR) loan for a period of 10 years with principal forgiveness, a DWTR loan in the amount of $3,800,000 for 30 years at 0% interest and 1% administrative fee, and a West Virginia Infrastructure and Jobs Development Council grant in the amount of $35,000. (Id.).

20. The Utility has already passed an ordinance setting tariffs which will increase the Utility's rates upon substantial completion of the project by 36% for Schedule 1 customers, and 10% for Schedule 2 customers with the exception of Huttonsville Public Service District's rates which will remain unchanged. (Id.).

21. The Utility's rates are sufficient to support the project. After the project, the Utility should have $54,721 in surplus including renewal and replacement reserves and 152.88% debt coverage. (Id.).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.

2. The proposed financing for the project is reasonable and should be approved.

3. The application for a certificate of convenience and necessity should be granted without hearing.

ORDER

IT IS, THEREFORE, ORDERED that the Town of Beverly be, and hereby is, granted a certificate of convenience and necessity to construct improvements to its water system as described in its application of March 24, 2011. The cost of the project shall not exceed $3,885,000. Approval is contingent upon the Utility obtaining all necessary state and federal permits before construction. Upon receipt, the Utility shall file with the Commission all permits not yet obtained.

IT IS FURTHER ORDERED that the proposed financing, consisting of a $50,000 loan from the Drinking Water Treatment Revolving Fund with principal forgiveness; a $3,800,000 loan from the DWTR for 30 years at 0% interest and a 1% administrative fee; and a $35,000 grant from the West Virginia Infrastructure and Jobs Development Council, be, and hereby is,

approved.

IT IS FURTHER ORDERED that, if the scope or plans for the project change, or project cost or financing changes require a further rate increase beyond any discussed in this Order, the Utility must obtain prior Commission approval before commencing construction. Changes in project cost or financing do not require separate approval if those changes do not affect rates and the Utility submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that the Utility provide the Commission with a copy of an engineer's certified bid tabulation for all contracts awarded on this project, as soon as they are available, but no later than ten (10) days after the bid opening date.

IT IS FURTHER ORDERED that the Utility submit to the Commission a copy of the certificate of substantial completion issued for each construction contract associated with the project, as soon as they are available, but no later than ten (10) days after the issuance of such documents.

IT IS FURTHER ORDERED that the Utility comply with all rules and regulations of the Division of Highways regarding the use of the Division of Highways' rights-of-way.

IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission.

K. A. George

Keith A. George
Administrative Law Judge

KAG:bam
110408a.wpd

WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Earl Ray Tomblin
Chairman

Kenneth Lowe, Jr.
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Louis Spatafore
Public Member

Joseph Freeland
Public Member

James W. Ellars, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

February 3, 2011

The Honorable David T. Harper
Mayor, Town of Beverly
P.O. Box 279
Beverly, WV 26253

Re: Town of Beverly
Water Project 2007W-968/2007W-968SC
Soft Cost Binding Commitment
(Action Required by February 28, 2010)

Dear Mayor Harper:

At its February 2, 2011 meeting, the West Virginia Infrastructure and Jobs Development Council (Infrastructure Council), voted to offer a binding commitment for a $35,000 Infrastructure Fund grant (Grant) to the Town of Beverly (Town) for soft costs to upgrade the Town's water treatment plant and make major improvements to the existing water distribution system (Project). The Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference.

Upon consideration of the revised project preliminary application, the Infrastructure Council recommends that the Town pursue a $3,800,000 Drinking Water Treatment Revolving Fund loan (1%, 30 yrs) and $50,000 Drinking Water Treatment Revolving Fund loan forgiveness. The total Project cost is $3,885,000.

Based on the findings of the Water Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Town should carefully review the enclosed comments of the Water Technical Review Committee as the Town may need to address certain issues raised in said comments as it proceeds with the Project.

Please contact James W. Ellars at 304-558-4607 (X201) if you have any questions.

Sincerely,

Kenneth Lowe, Jr.

Enclosures

cc: Bob Decrease, P.E., BPH (w/o enclosure) *(via e-mail)*
Paul Ghosh, P.E., Ghosh Engineers, Inc.
Samme Gee, Esq., Jackson Kelly (w/o enclosure) *(via e-mail)*

180 Association Drive • Charleston, WV 25311 • Phone (304) 558-4607 • Fax (304) 558-4609

www.wvinfrastructure.com

NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

TOWN OF BEVERLY

By: _____

Its: _____

Date: _____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Town of Beverly
Soft Cost Water Project 2007W-968SC

SCHEDULE A

A. Approximate Amount: $35,000 Soft Cost Grant

B. Soft Cost Grant: $35,000

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition.

NOTICE: The execution of the soft cost grant agreement will be required prior to the disbursement of grant funds.

C. Special Conditions: The funding package may be reduced prior to closing if an additional grant source is procured.

D. Other Funding:

DWTRF loan (1%, 30 yrs)	$3,800,000
DWTRF loan forgiveness	50,000

E. Total Project Cost: $3,885,000

F. Proposed User Rates: Approximately $31.46* / 4000 gallons

*Per PSC Staff Analysis

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 29th day of August, 2012, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of The Town of Beverly (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, in the principal amount of $3,800,000, numbered AR-1 (the "Series 2012 A Bonds") and the Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), in the principal amount of $50,000, numbered BR-1 (the "Series 2012 B Bonds"), each issued as a single, fully registered Bond, and dated August 29, 2012.

2. At the time of such receipt, all the Series 2012 A Bonds and Series 2012 B Bonds had been executed by the Mayor and the Recorder of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2012 A Bonds and Series 2012 B Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2012 A Bonds, of the sum of $233,578, being a portion of the principal amount of the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as acquisition and construction of the Project progresses.

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2012 B Bonds, of the sum of $-0-, being a portion of the principal amount of the Series 2012 B Bonds. The balance of the principal amount of the Series 2012 B Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

THE TOWN OF BEVERLY

By: _____
Its: Mayor

074550.00003

5715190

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 29th day of August, 2012:

(1) Bond No. AR-1, constituting the entire original issue of The Town of Beverly Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), in the principal amount of $3,800,000 (the "Series 2012 A Bonds") and Bond No. BR-1 constituting the entire Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program) in the principal amount of $50,000 (the "Series 2012 B Bonds"), both dated August 29, 2012 (collectively the "Series 2012 Bonds"), executed by the Mayor and Recorder of The Town of Beverly (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on August 13, 2012, and a Supplemental Resolution duly adopted by the Issuer on August 13, 2012 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bonds, duly certified by the Recorder of the Issuer;

(3) Executed counterparts of a Loan Agreement for the Series 2012 A Bonds and the Series 2012 B Bonds, dated August 29, 2012 by and between the Issuer and the West Virginia Water Development Authority, on behalf of the West Virginia Bureau for Public Health (the "Loan Agreement"); and

(4) Executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2012 Bonds.

You are hereby requested and authorized to deliver the Series 2012 A Bonds to the Authority upon payment to the Issuer of the sum of $233,578, representing a portion of the principal amount of the Series 2012 A Bonds. You are further hereby requested and authorized to deliver the Series 2012 B Bonds to the Authority upon payment to the Issuer of the sum of $-0-, representing a portion of the principal amount of the Series 2012 B Bonds. Prior to such delivery of the Series 2012 Bonds, you will please cause the Series 2012 Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

THE TOWN OF BEVERLY

By: _____
Its: Mayor

074550.00003

5715188

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE TOWN OF BEVERLY
WATER REVENUE BONDS, SERIES 2012 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $3,800,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 29th day of August, 2012, THE TOWN OF BEVERLY, a municipal corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS ($3,800,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014, to and including March 1, 2044 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee of 1% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014, as set forth on EXHIBIT B attached hereto.

This Bond shall not bear interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated August 29, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on August 13, 2012, and a Supplemental Resolution duly adopted by the Issuer on August 13, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) WATER REVENUE BOND, SERIES 1990 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 17, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $350,000 (THE "SERIES 1990 BONDS" OR THE "PRIOR BONDS"); AND (2) WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 29, 2012, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $50,000 (THE "SERIES 2012 B BONDS") ISSUED SIMULTANEOUSLY HEREWITH.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2012 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2012 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2012 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2012 B Bonds; provided however, that so long as there exists in the Series 2012 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2012 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE TOWN OF BEVERLY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Mayor

ATTEST:

Barbara Smith

Recorder

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: August 29, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $233,578	08/29/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Net Debt Service

Town of Beverly

DWTRF

$3,800,000

0% Interest Rate

1% Administrative Fee

30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2014	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2014	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2014	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2015	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2015	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2015	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2015	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2016	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2016	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2016	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2016	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2017	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2017	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2017	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2017	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2018	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2018	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2018	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2018	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2019	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2019	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2019	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2019	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2020	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2020	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2020	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2020	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2021	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2021	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2021	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2021	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2022	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2022	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2022	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2022	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2023	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2023	31,667		31,667	4,789.56	3,166.70	39,623.26
9/1/2023	31,667		31,667	4,789.56	3,166.70	39,623.26
12/1/2023	31,667		31,667	4,789.56	3,166.70	39,623.26
3/1/2024	31,667		31,667	4,789.56	3,166.70	39,623.26
6/1/2024	31,667		31,667	4,789.56		36,456.56
9/1/2024	31,667		31,667	4,789.56		36,456.56
12/1/2024	31,667		31,667	4,789.56		36,456.56
3/1/2025	31,667		31,667	4,789.56		36,456.56
6/1/2025	31,667		31,667	4,789.56		36,456.56
9/1/2025	31,667		31,667	4,789.56		36,456.56

Net Debt Service
Town of Beverly
DWTRF
$3,800,000
0% Interest Rate
1% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2025	31,667		31,667	4,789.56		36,456.56
3/1/2026	31,667		31,667	4,789.56		36,456.56
6/1/2026	31,667		31,667	4,789.56		36,456.56
9/1/2026	31,667		31,667	4,789.56		36,456.56
12/1/2026	31,667		31,667	4,789.56		36,456.56
3/1/2027	31,667		31,667	4,789.56		36,456.56
6/1/2027	31,667		31,667	4,789.56		36,456.56
9/1/2027	31,667		31,667	4,789.56		36,456.56
12/1/2027	31,667		31,667	4,789.56		36,456.56
3/1/2028	31,667		31,667	4,789.56		36,456.56
6/1/2028	31,667		31,667	4,789.56		36,456.56
9/1/2028	31,667		31,667	4,789.56		36,456.56
12/1/2028	31,667		31,667	4,789.56		36,456.56
3/1/2029	31,667		31,667	4,789.56		36,456.56
6/1/2029	31,667		31,667	4,789.56		36,456.56
9/1/2029	31,667		31,667	4,789.56		36,456.56
12/1/2029	31,667		31,667	4,789.56		36,456.56
3/1/2030	31,667		31,667	4,789.56		36,456.56
6/1/2030	31,667		31,667	4,789.56		36,456.56
9/1/2030	31,667		31,667	4,789.56		36,456.56
12/1/2030	31,667		31,667	4,789.56		36,456.56
3/1/2031	31,667		31,667	4,789.56		36,456.56
6/1/2031	31,667		31,667	4,789.56		36,456.56
9/1/2031	31,667		31,667	4,789.56		36,456.56
12/1/2031	31,667		31,667	4,789.56		36,456.56
3/1/2032	31,667		31,667	4,789.56		36,456.56
6/1/2032	31,667		31,667	4,789.56		36,456.56
9/1/2032	31,667		31,667	4,789.56		36,456.56
12/1/2032	31,667		31,667	4,789.56		36,456.56
3/1/2033	31,667		31,667	4,789.56		36,456.56
6/1/2033	31,667		31,667	4,789.56		36,456.56
9/1/2033	31,667		31,667	4,789.56		36,456.56
12/1/2033	31,667		31,667	4,789.56		36,456.56
3/1/2034	31,667		31,667	4,789.56		36,456.56
6/1/2034	31,666		31,666	4,789.56		36,455.56
9/1/2034	31,666		31,666	4,789.56		36,455.56
12/1/2034	31,666		31,666	4,789.56		36,455.56
3/1/2035	31,666		31,666	4,789.56		36,455.56
6/1/2035	31,666		31,666	4,789.56		36,455.56
9/1/2035	31,666		31,666	4,789.56		36,455.56
12/1/2035	31,666		31,666	4,789.56		36,455.56
3/1/2036	31,666		31,666	4,789.56		36,455.56
6/1/2036	31,666		31,666	4,789.56		36,455.56
9/1/2036	31,666		31,666	4,789.56		36,455.56
12/1/2036	31,666		31,666	4,789.56		36,455.56
3/1/2037	31,666		31,666	4,789.56		36,455.56

Net Debt Service
Town of Beverly
DWTRF
$3,800,000
0% Interest Rate
1% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2037	31,666		31,666	4,789.56		36,455.56
9/1/2037	31,666		31,666	4,789.56		36,455.56
12/1/2037	31,666		31,666	4,789.56		36,455.56
3/1/2038	31,666		31,666	4,789.56		36,455.56
6/1/2038	31,666		31,666	4,789.56		36,455.56
9/1/2038	31,666		31,666	4,789.56		36,455.56
12/1/2038	31,666		31,666	4,789.56		36,455.56
3/1/2039	31,666		31,666	4,789.56		36,455.56
6/1/2039	31,666		31,666	4,789.56		36,455.56
9/1/2039	31,666		31,666	4,789.56		36,455.56
12/1/2039	31,666		31,666	4,789.56		36,455.56
3/1/2040	31,666		31,666	4,789.56		36,455.56
6/1/2040	31,666		31,666	4,789.56		36,455.56
9/1/2040	31,666		31,666	4,789.56		36,455.56
12/1/2040	31,666		31,666	4,789.56		36,455.56
3/1/2041	31,666		31,666	4,789.56		36,455.56
6/1/2041	31,666		31,666	4,789.56		36,455.56
9/1/2041	31,666		31,666	4,789.56		36,455.56
12/1/2041	31,666		31,666	4,789.56		36,455.56
3/1/2042	31,666		31,666	4,789.56		36,455.56
6/1/2042	31,666		31,666	4,789.56		36,455.56
9/1/2042	31,666		31,666	4,789.56		36,455.56
12/1/2042	31,666		31,666	4,789.56		36,455.56
3/1/2043	31,666		31,666	4,789.56		36,455.56
6/1/2043	31,666		31,666	4,789.56		36,455.56
9/1/2043	31,666		31,666	4,789.56		36,455.56
12/1/2043	31,666		31,666	4,789.56		36,455.56
3/1/2044	31,666		31,666	4,789.56		36,455.56
	3,800,000		3,800,000	574,747.20	126,668.00	4,501,415.20

Notes:

Estimated Monthly Net Debt Service Payments rounded up to the nearest cent:

$13,207.76 March 1, 2014 through February 1, 2024

$11,818.86 March 1, 2024 through May 1, 2034

$11,818.52 June 1, 2034 through February 1, 2044

Admin Fee calculated based on 1% of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE TOWN OF BEVERLY
WATER REVENUE BONDS, SERIES 2012 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1 $50,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 29th day of August, 2012, THE TOWN OF BEVERLY, a municipal corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of FIFTY THOUSAND DOLLARS ($50,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference. The Series 2012 B Bonds are not subject to the DWTRF Administrative Fee (as defined in the hereinafter described Bond Legislation.)

This Bond shall bear no interest. The principal amounts will be deemed forgiven on the 30th day of June of the fiscal year in which advanced. The Bond shall be deemed no longer Outstanding after the last advance is forgiven.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated August 29, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on August 13, 2012, and a Supplemental Resolution duly adopted by the Issuer on August 13, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) WATER REVENUE BOND, SERIES 1990 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 17, 1990, ISSUED IN THE ORIGINAL AGGREGATE

PRINCIPAL AMOUNT OF $350,000 (THE "SERIES 1990 BONDS" OR THE "PRIOR BONDS"); AND (2) WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 29, 2012, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $3,800,000 (THE "SERIES 2012 A BONDS") ISSUED SIMULTANEOUSLY HEREWITH.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2012 A Bonds, and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Gross Revenues and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2012 A Bonds; provided however, that so long as there exists in the respective reserve accounts an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2012 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE TOWN OF BEVERLY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Mayor

ATTEST:

Barbara Smith

Recorder

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: August 29, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $-0-	08/29/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20___.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

August 29, 2012

The Town of Beverly
Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program)

The Town of Beverly
Beverly, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The Town of Beverly (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $3,800,000 Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a Loan Agreement dated August 29, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014, to and including March 1, 2044, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Series 2012 A Bonds are subject to an Administrative Fee equal to 1.0% of the principal amount of the Series 2012 A Bonds as set forth in the Schedule Y attached to the Loan Agreement.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer; and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on August 13, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 13, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

Based upon the foregoing, and upon our examination of such other documents as we have deemed necessary, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the BPH and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Issuer without the written consent of the Authority and the BPH.

3. The Bond Legislation and all other necessary ordinances, orders and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (1) Water Revenue Bonds, Series 1990 (United States Department of Agriculture), dated September 17, 1990, issued in the original aggregate principal amount of $350,000 (the "Series 1990 Bonds"); and (2) Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), dated August 29, 2012, in the original aggregate principal amount of $50,000 issued concurrently herewith.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and the interest, if any, on the Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax

purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

We have examined the executed and authenticated Bond numbered AR-1, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

074550.00003

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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P.O. Box 1588
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Writer's Contact Information

August 29, 2012

The Town of Beverly
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

The Town of Beverly
Beverly, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The Town of Beverly (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $50,000 Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a Loan Agreement dated August 29, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, bearing no interest, registered as to principal only to the Authority, with the principal amounts advanced under the Series 2012 B Bonds being deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2012 B Bonds shall be deemed no longer outstanding after the last advance is forgiven. The Series 2012 B Bonds are not subject to an Administrative Fee.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer; and (ii) paying certain costs of issuance and related costs.

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We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on August 13, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 13, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the BPH and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Issuer without the written consent of the Authority and the BPH.

3. The Bond Legislation and all other necessary ordinances, orders and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (1) Water Revenue Bonds, Series 1990 (United States Department of Agriculture), dated September 17, 1990, issued in the original aggregate principal amount of $350,000 (the "Series 1990 Bonds"); and (2) Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 29, 2012, in the original aggregate principal amount of $3,800,000 issued concurrently herewith.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and the interest, if any, on the Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax

purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

We have examined the executed and authenticated Bond numbered BR-1, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

074550.00003

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PARALEGALS:
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August 29, 2012

The Town of Beverly
Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

The Town of Beverly
Beverly, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to The Town of Beverly, in Randolph County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the Loan Agreement dated August 29, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), the Bond Ordinance duly enacted by the Issuer on August 13, 2012, as supplemented by the Supplemental Resolution duly adopted by the Issuer on August 13, 2012 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

4. The Issuer has received all permits, license, approvals, consents, exemption, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the Bureau for Public Health and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal.

5. Prior to construction, we will ascertain that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. Prior to construction we will ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon our review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

David E. Thompson

DET/crk

LAW OFFICES

ROBERT R. RODECKER

BB&T SQUARE

300 SUMMERS STREET, SUITE 1230

POST OFFICE BOX 3713

CHARLESTON, WEST VIRGINIA 25337

ROBERT R. RODECKER
rodecker@wvdsl.net

AREA CODE 304
343-1654

FACSIMILE
343-1657

August 29, 2012

The Town of Beverly
Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

The Town of Beverly
Beverly, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am special PSC counsel to The Town of Beverly, in Randolph County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a Loan Agreement dated August 29, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), the Bond Ordinance duly enacted by the Issuer on August 13, 2012, as supplemented by the Supplemental Resolution duly adopted by the Issuer on August 13, 2012 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia (the "PSC") and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Issuer has received the Recommended Decision of the PSC entered July 7, 2011, which became the Final Order on July 27, 2011, in Case No. 11-0408-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof without any appeal and remains in full force and effect.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Sincerely,

Robert R. Rodecker

Robert R. Rodecker
WV State Bar No. 3145

RRR/bg

FINAL TITLE OPINION

August 29, 2012

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Re: Town of Beverly

Dear Ladies and Gentlemen:

We represent the Town of Beverly (the "Town") with regard to a proposed project to construct additions and improvements to its water system, consisting of construction of a water treatment plant and extending water lines in Randolph County, together with all appurtenant facilities (the "Project"), and provides this final title opinion on behalf of the Town to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") and West Virginia Bureau for Public Health (the "WVBPH") with regard to the financing proposed for the Project. Please be advised of the following:

1. That we are of the opinion that the Town is a duly created and existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the West Virginia Bureau for Public Health.

2. That the Town has obtained, or has applied for approval for all necessary permits and approvals for the construction of the Project.

3. That we have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Ghosh Engineers, the consulting engineers for the Project.

4. That we have examined the records on file in the Office of the Clerk of the County Commission of Randolph County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Town has acquired legal title or such other estate or interest in the necessary site components for the Project, including 100% of the easements and/or rights-of-way, sufficient to assure undisturbed use and possession for

the purpose of construction, operating and maintenance for the estimated life of the facilities to be constructed.

5. That any easements which have been acquired to date by the Town have been duly recorded in the aforesaid Clerk's Offices(s) in order to protect the legal title to and interest of the District.

Very Truly Yours,

David E. Thompson

DET/crk

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. INSURANCE
12. VERIFICATION OF SCHEDULE
13. RATES
14. SIGNATURES AND DELIVERY
15. BOND PROCEEDS
16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
17. PUBLIC SERVICE COMMISSION ORDERS
18. SPECIMEN BOND
19. CONFLICT OF INTEREST
20. GRANTS
21. PROCUREMENT OF ENGINEERING SERVICES
22. SAFE DRINKING WATER ACT
23. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of The Town of Beverly in Randolph County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, hereby certify, on this the 29th day of August, 2012, in connection with the Issuer's Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) (the "Series 2012 A Bonds"), and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program) (the "Series 2012 B Bonds") dated the date hereof (collectively, the "Bonds" or the "Series 2012 Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted August 13, 2012, and the Supplemental Resolution duly adopted August 13, 2012 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds,

the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Gross Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2012 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Water Revenue Bonds, Series 1990 (United States Department of Agriculture), dated September 17, 1990, issued in the original aggregate principal amount of $350,000 (the "Series 1990 Bonds" or the "Prior Bonds").

The Series 2012 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2012 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the registered owners of the Prior Bonds to the issuance of the Series 2012 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Bond Ordinance

Supplemental Resolution

Loan Agreement for Series 2012 Bonds

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Council Members

Water Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Affidavit of Publication of Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Bond Ordinance, Adoption of Supplemental Resolution, Rules of Procedure, First Draw Resolution and Sweep Resolution

Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing

Infrastructure Fund Grant Agreement

Prior Bond Ordinances

USDA Consent to Issuance of Parity Bonds

Office of Environmental Health Services Permit

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The Town of Beverly." The Issuer is a municipal corporation in Randolph County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor and five (5) council members, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencemt of Office	Date of Termination of Office
David Harper, Mayor		
Barbara Smith, Recorder	06/30/2011	06/01/2013
Jay Gillespie, Council Member	07/11/2011	06/01/2013
Katherine Whittaker, Council Member	07/11/2011	06/01/2013

Rodney Cooper, Council Member	08/08/2011	06/01/2013
Connie Pingley, Council Member	07/11/2011	06/01/2013
Tena Pritt, Council Member	07/11/2011	06/01/2013

The duly appointed and acting Counsel to the Issuer is David Thompson, Esquire, Elkins, West Virginia and the duly appointed Special PSC Counsel is Robert Rodecker, Esquire, Charleston, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction and financing of the Project or the operation of the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. All insurance for the System required by the Bond Legislation and Loan Agreement is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following

completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

11. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain workers' compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance and the Loan Agreement. All insurance for the System required by the Ordinance and the Loan Agreement are in full force and effect.

12. VERIFICATION OF SCHEDULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

13. RATES: The Issuer has duly enacted a water rate ordinance on July 12, 2010, setting forth the respective rates and charges for the services of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by their manual signatures, and the undersigned Recorder did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. BOND PROCEEDS: On the date hereof, the Issuer received $233,578 from the Authority and the BPH, being a portion of the principal amount of the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

On the date hereof, the Issuer received $-0- from the Authority and the BPH, being a portion of the principal amount of the Series 2012 B Bonds. The balance of the principal amount of the Series 2012 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *The Inter-Mountain*, a qualified newspaper published and of general circulation in The Town of Beverly, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 13th day of August, 2012, at 6:30 p.m., at the Town Hall in Beverly, West Virginia, and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer.

At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered July 7, 2011, which became Final Order on July 27, 2011, in Case No. 11-0408-W-CN, (the "Order") among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Order has expired. Such Order is in full force and effect.

18. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2012 Bonds.

19. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

20. GRANTS: The West Virginia Infrastructure Fund grant in the amount of $35,000 and $7,000 contribution from the Issuer are hereby fully committed.

21. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

22. SAFE DRINKING WATER ACT: The Project as described in the Bond Legislation complies with the Safe Drinking Water Act.

23. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of THE TOWN OF BEVERLY on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
Barbara Smith	Recorder
_____	Counsel to the Issuer
_____	Special PSC Counsel (Paragraph 17)

074550.00003

5715180

WITNESS our signatures and the official seal of THE TOWN OF BEVERLY on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Recorder
_____	Counsel to the Issuer
_____	Special PSC Counsel (Paragraph 17)

074550.00003

5715180

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

CERTIFICATE OF ENGINEER

I, Paul Ghosh, Registered Professional Engineer, West Virginia License No. 7806, of Ghosh Engineers, Inc., Charleston, West Virginia, hereby certify this 29th day of August, 2012 as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing public waterworks facilities (the "System") of The Town of Beverly (the "Issuer"), to be constructed in Randolph County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on August 13, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer on August 13, 2012, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated August 29, 2012 (the "Loan Agreement").

2. The Bonds are being issued (i) to pay a portion of the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the BPH and any change orders approved by the Issuer, the BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 32 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A and the Issuer's counsel has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (v) the successful bidders received any and all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all

permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the BPH; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve -0- new customers.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal on the day and year first written above.

GHOSH ENGINEERS, INC.

(SEAL)

Paul Ghosh, P.E.
West Virginia License No.7806

074550.00003

5715218

Town of Beverly
IJDC # 2007W-968
DWTRF # 10DWTRFB005
SCHEDULE B

August 1, 2012

A. Cost of Project	TOTAL	IJDC Soft Cost	DWTRF Loan (Forgivable)	DWTRF Loan	Town
1 Construction:					
a. Contract I (WTP)	790,000.00	0.00	0.00	790,000.00	0.00
b. Contract II (Lines)	857,430.00	0.00	0.00	857,430.00	0.00
c. Contract III (Line replacements)	962,040.00	0.00	0.00	962,040.00	0.00
d, Contract IV (Tank)	292,000.00	0.00	0.00	292,000.00	0.00
e. Raw Water Intake	75,691.37	0.00	0.00	75,691.37	0.00
Contingency 5.0%	146,000.00	0.00	0.00	146,000.00	0.00
Future Change Order [Contract III]	245,815.32	0.00	0.00	245,815.32	0.00
2 Engineering (Ghosh)					
a. Engineering during Design	125,000.00	0.00	0.00	125,000.00	0.00
b. Enginering during Construction	101,500.00	0.00	0.00	101,500.00	0.00
c. Resident Inspection	114,000.00	0.00	0.00	114,000.00	0.00
d. Asset Management Plan	20,000.00	0.00	0.00	20,000.00	0.00
3 Legal					
PSC Counsel [Rodecker]	3,036.64	3,036.64	0.00	0.00	0.00
Project Attorney	35,000.00	12,476.69	0.00	22,523.31	0.00
4 Administration [Region VII]	38,000.00	0.00	38,000.00	0.00	0.00
5 Sites and Other Lands	30,000.00	0.00	12,000.00	18,000.00	0.00
6 Archeological Study [Horizon]	16,486.67	16,486.67	0.00	0.00	0.00
7 Accounting	10,000.00	3,000.00	0.00	0.00	7,000.00
8 Permits; Ads; Etc	2,000.00	0.00	0.00	2,000.00	0.00
9 Sub Total (Lines 1 thru 8)	3,864,000.00	35,000.00	50,000.00	3,772,000.00	7,000.00
B. Cost of Financing					
10 Reserve	0.00	0.00	0.00	0.00	0.00
11 Registrar	1,000.00	0.00	0.00	1,000.00	0.00
12 Bond Counsel	27,000.00	0.00	0.00	27,000.00	0.00
13 Total Cost of Financing (Lines 10 thru 12)	28,000.00	0.00	0.00	28,000.00	0.00
14 Total Cost of Project (Line 9 + Line 13)	**3,892,000.00**	**35,000.00**	**50,000.00**	**3,800,000.00**	**7,000.00**
B. Sources of Grants					
14 Federal Grants	0.00	0.00	0.00	0.00	0.00
15 State Grants (IJDC)	35,000.00	35,000.00	0.00	0.00	0.00
16 Any other Grant	7,000.00	0.00	0.00	0.00	7,000.00
17 Total Grants (lines 14 thru Line 16)	42,000.00	35,000.00	0.00	0.00	7,000.00
18 Size of Bond Issue (line 13 minus Line 17)	**3,850,000.00**	**0.00**	**50,000.00**	**3,800,000.00**	**0.00**

Town of Beverly — Date 8/13/12

Ghosh Engineers — Date 8/3/12

Bennett & Dobbins PLLC
CERTIFIED PUBLIC ACCOUNTANTS

317 Cleveland Avenue
Fairmont, WV 26554-1604
Telephone: (304) 366-4295 Fax: (304) 366-4311

GARY K. BENNETT, MBA-CPA
ZACHARY D. DOBBINS, CPA

August 29, 2012

The Town of Beverly
Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

The Town of Beverly
Beverly, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the water rate ordinance of The Town of Beverly (the "Issuer"), enacted July 12, 2010, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Ghosh Engineers, Inc., the consulting engineer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will provide for all Operating Expenses of the System and will leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the proposed Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program) (collectively, the "Series 2012 Bonds") and all other obligations secured by or payable from such revenues, including the Issuer's Water Revenue Bonds, Series 1990, dated September 17, 1990, issued in the original aggregate principal amount of $350,000 (the "Prior Bonds").

It is further our opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2012 Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds and the Series 2012 Bonds and that (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2012 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2012 Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2012 Bonds.

Very truly yours,

Bennett & Dobbins PLLC

BENNETT & DOBBINS PLLC

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor and Recorder of The Town of Beverly in Randolph County, West Virginia (the "Issuer"), being the officials of the Issuer duly charged with the responsibility for the issuance of $3,800,000 Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) and $50,000 Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), of the Issuer, both dated August 29, 2012 (collectively the "Bonds" or the "Series 2012 Bonds") on the 29th day of August, 2012, hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on August 13, 2012, as supplemented by Supplemental Resolution duly adopted on August 13, 2012 (collectively, the "Bond Ordinance"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on August 29, 2012, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2012 Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Bureau for Public Health (the "BPH"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2012 A Bonds were sold on August 29, 2012, to the Authority, pursuant to a Loan Agreement dated August 29, 2012, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of $3,800,000 (100% of par), at which time, the Issuer received $233,578 from the Authority and the BPH, being the first advance of the principal amount of the Series 2012 A Bonds. No accrued interest has been or will be paid on the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2012 B Bonds were sold on August 29, 2012, to the Authority, pursuant to a Loan Agreement dated August 29, 2012, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of $50,000 (100% of par), at which time, the Issuer received $-0- from the Authority and the BPH, being the first advance of the principal amount of the Series 2012 B Bonds. No accrued interest has been or will be paid on the Series 2012 B Bonds. The balance of the principal amount of the Series 2012 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

7. The Series 2012 A Bonds and Series 2012 B Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

8. Within 30 days after the delivery of the Series 2012 Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2012 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Series 2012 Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before March 1, 2014. The acquisition and construction of the Project is expected to be completed by September 1, 2013.

9. The total cost of the Project, a portion of which is financed from the proceeds of the Series 2012 Bonds (including all costs of issuance of the Series 2012 Bonds), is estimated at $3,892,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2012 A Bonds	$3,800,000
Proceeds of the Series 2012 B Bonds	$50,000
WV Infrastructure Council Grant	$35,000
Contribution from Town	$7,000
Total Sources	$3,892,000

USES

Costs of Acquisition and Construction of the Project	$3,864,000
Costs of Issuance	$28,000
Total Uses	$3,892,000

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2012 Bonds:

(1) Revenue Fund (established by Prior Ordinance);

(2) Reserve Fund (established by Prior Ordinance);

(3) Renewal and Replacement Fund (established by Prior Ordinance);

(4) Series 2012 Bonds Construction Trust Fund;

(5) Series 2012 A Bonds Sinking Fund; and

(6) Series 2012 A Bonds Reserve Account.

11. Pursuant to Article VI of the Bond Ordinance, the proceeds of the Bonds will be deposited as follows:

(1) Series 2012 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2012 A Bonds Reserve Account.

(2) The balance of the proceeds of the Series 2012 A Bonds will be deposited in the Series 2012 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2012 A Bonds and related costs.

(3) The proceeds of the Series 2012 B Bonds will be deposited in the Series 2012 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2012 B Bonds and related costs.

12. Monies held in the Series 2012 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2012 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2012 A Bonds Sinking Fund and Series 2012 A Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2012 Bonds Construction Trust Funds during construction

of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 12 months of the date hereof.

14. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

15. With the exception of the amount deposited in the Series 2012 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 18 months from the date of issuance thereof.

16. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

17. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

18. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

19. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

20. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

21. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

22. The Bonds are not federally guaranteed.

23. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental bonds.

24. The Issuer has either (a) funded the Series 2012 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2012 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2012 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2012 A Bonds

Reserve Account and the Series 2012 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

25. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

26. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

27. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

28. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

[Remainder of Page Intentionally Blank]

WITNESS our signatures on day and year first written above.

THE TOWN OF BEVERLY

By: _____
Its: Mayor

By: _____
Its: Recorder

074550.00003

5715229

This is
property of the
Beverly Town Hall
Shaw 219
Beverly, WV 26253
Ph- 304-636-5360

ORDINANCES

AND

BY-LAWS

OF THE

Town of Beverly

RANDOLPH COUNTY, WEST VIRGINIA

To Which Are Prefixed

THE ACTS OF ESTABLISHMENT

AND

INCORPORATION

OFFICERS OF THE TOWN OF BEVERLY

(*At the Time of This Codification*)

JUNE, 1930

MAYOR

M. B. Rohrbough

COUNCILMEN

James B. Baker
Willie W. Leonard
Clyde V. Greynolds
Harry H. Moore
Thomas J. Weese

SERGEANT

Charles N. Webber

RECORDER

David Wamsley

PREFACE

The Council in the Town of Beverly, in office at the time of the preparation and conpilation of the following by-laws, ordinances, etc., for the government of said Town, having found that the rules and ordinances of the Town, passed by former Councils, had in part, been lost or destroyed and that the residue thereof were scattered through a mass of manuscript record of many Councils and were, therefore, not readily accessible to the public or to themselves, and deeming the preparation, compilation and codification of a systematic and complete series of ordinances a necessity, on the 5th day of May, 1930, unanimously passed the following:

"*Ordered,* That J. Floyd Strader be appointed a committee to prepare, compile and report to this Council a code of laws for the government of the Town of Beverly."

On the 2nd day of June following, said J. Floyd Strader reported the following series of rules and ordinances and thereupon the Council passed the following General Ordinances:

"*Be it ordained* by the Council of the Town of Beverly that on and after this date the following code of ordinances, rules and regulations, and none other, shall be and remain in force for the government of said Town, and the same shall be printed for circulation and for the information of all concerned, and that the Mayor shall append thereto his proclamation thereof, attested by the Recorder."

Dated this the 2nd day of June, 1930

M. B. Rohrbough,
Mayor.

David Wamsley,
Recorder.

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CHAPTER I

GENERAL ASSEMBLY OF VIRGINIA
Act 1790 Establishing Town of Beverly

GENERAL ASSEMBLY OF VIRGINIA
Act 1848 Establishing *"Borough of Beverly"*

LEGISLATURE OF WEST VIRGINIA
Act 1871 Granting Charter to the Town of Beverly

CHAPTER XLV. An Act to Establish Several Towns
(*Passed the 16th of December*, 1790)

Sec. 1. Be it enacted by the General Assembly, etc.

* * * * *

Sec. 2. That twenty acres of land, the property of James Westfall, as the same are already laid off into lots and streets in the county of Randolph adjoining the land whereon the court house stands, shall be established a Town by the name of Beverly, and that John Wilson, Jacob Westfall, Sylvester Ward, Thomas Phillips, Hezekiah Rosencrants, William Wamsley and Valentine Stalnaker, gentlemen, shall be and are hereby constituted trustees thereof.

* * * * *

Sec. 8. The trustees of the said Towns respectively or a majority of them are empowered to make such rules

and orders for the regular building of houses therein as to them shall seem best, and to settle and determine all disputes about the bounds of the said lots. So soon as the purchasers of lots in the said Towns shall have built thereon a dwelling house sixteen feet square with a brick or stone chimney, such purchaser shall be entitled to have and enjoy all the rights, privileges and immunities which the freeholders and inhabitants of other Towns in this State not incorporated, hold and enjoy.

SEC. 9. If the purchaser of any lot in * * * * Beverly * * * * shall fail to build thereon within the time hereinbefore limited for that purpose (five years from the day of purchase) the trustees of the said Town where such failure shall happen, may thereupon enter into such lot and sell the same again, and apply the money for the benefit of the inhabitants of the said Town.

SEC. 10. In case of the death, resignation or removal out of the county of one or more of the trustees of the said Towns respectively, the vacancy thereby occasioned shall be supplied by the remaining trustees, and the person so elected shall have the same power and authority as if he had been particularly named in this act.

* * * * *

THE CHARTER OF THE *"BOROUGH OF BEVERLY"*

CHAPTER 298 An Act incorporating the borough of Beverly, in the county of Randolph.

(*Passed by General Assembly of Virginia, Jan.* 17, 1848)

1. BE IT ENACTED BY THE GENERAL ASSEMBLY, That the inhabitants of so much of the county of Randolph, as are contained within the boundary lines of the Town of Beverly in said county, and who may hereinafter reside within the said boundary lines, shall be and are hereby made a body politic and corporate, by the name and style of "The Borough of Beverly," and as such, and by that

name, may contract and be contracted with, sue and be sued, plead and be impleaded, answer and be answered unto, purchase, take, receive, hold and use goods and chattels, lands and tenements, and choses in action, for the proper use of the said borough, and the same may grant, sell, convey, transfer and assign, let, pledge, mortgage, charge and incumber in any case and in any manner; and may have and use a common seal; and generally shall have all the rights, franchises, capacities and powers appertaining to municipal corporations.

2. BE IT FURTHER ENACTED, That it shall be lawful for the male citizens above the age of twenty-one years, annually to meet at the court house in said borough, on the third Monday in May, and under the superintendence of a magistrate or justice of the peace of said county, elect viva voca, five persons as trustees who shall be freeholders of and in said borough, who shall before they perform any of the duties required by this act, make oath or affirm that they will faithfully and impartially perform the duties of trustees, in and for said borough, and in case of a refusal to act, resignation or removal from said borough, the remaining trustees shall supply the vacancy. The said trustees or a majority of them shall be competent to form a board and appoint a clerk, who shall record annually the certificate of the magistrate verifying the election and the qualification of the trustees, as well as the orders and proceedings, levies and assessments, fines, penalties, forfeitures and settlements; the ordinances and by-laws of the said corporation. They shall also appoint a treasurer, who, (after executing bond with approved security, payable to said corporation by its corporate name and style and in such penalty as the said trustees may direct conditioned well and truly to pay all orders or drafts upon him by order of said trustees, and faithfully to account for, and pay over all moneys re-

ceived by him, in virtue of said office) shall execute the duties of his said office as required by said trustees; and the trustees of said corporation may, at any time, upon thirty days previous notice, before any court or magistrate of said county having jurisdiction, recover against the said treasurer and his security, or either of them, such sum or sums of money, or other things as may be in the hands of him, the said treasurer and not paid or delivered over, agreeably to the order or orders of said board of trustees, or the tenor of his bond, and the general or specific duties thereunder.

3. Be It Further Enacted, That the board of trustees of said borough, are hereby authorized to establish within said borough, all markets, and to regulate the same, and to provide suitable buildings therefor; to make all by-laws and fix the amount of fine for any violation thereof; have power to abate all nuisances at the expense of those who occasion them, or in default of ascertaining that, at the expense of the owner or occupier of the ground whereon the same shall be; have power to prevent or regulate slaughter houses, or any unhealthy employment in said borough; have power to grade and pave the streets and alleys of said borough; to prevent the firing of guns or any other combustible matter; or riding or driving any animal at an improper speed in said borough; shall have power, management and control of the real and personal estate, revenue, claims, fines and funds belonging to said corporation; shall have authority to provide for the weighing of all hay, and measure of all wood, lumber, coal and boards offered for sale in said borough; shall have power to make and establish all ordinances and by-laws in order to carry into full effect the powers hereby granted; shall have power to construct and establish landings, wharves and docks on any ground belonging to said corporation, and lease or rent the same,

and establish and collect rates and taxes for using the same; shall have power to purchase ground for new streets or alleys of borough; and shall have full power and authority to sell and convey under seal of said borough, all streets and alleys or parts of streets and alleys deemed of no public convenience by said trustees, and when such sale would not lessen or impair any private right; and to receive any conveyance for any ground over which any street, alley, wharf or landing shall be made; shall have authority to ordain and enforce regulations to prevent or guard against accident by fire; shall have power to prevent hogs and other animals from running at large in said borough or subject the same to such tax as may be deemed proper; shall have power to contract with any person or persons for the conveyance to the said borough of any ground within the same, for the purpose of erecting a market house or other public building thereupon.

4. Be It Further Enacted, That it shall be lawful for the trustees of said borough to levy and collect annually a capitation tax not exceeding one dollar and fifty cents on each male citizen of said borough over the age of twenty one years; and that they shall have power to assess, levy and collect annually, on all property according to its value, now or hereafter subject to taxation, according to the revenue laws of this common wealth, such amount of tax as may be deemed proper, not exceeding fifty cents on the hundred dollars of value thereof, and upon exhibitors of any public show, clock or tin peddlers, a sum not exceeding one fourth of the tax paid to the common wealth who may exhibit or trade in said borough; and shall have power to negotiate contracts or make any loan, not exceeding three thousand dollars in any one year, for the improvement of the streets and alleys in said borough, and pledge the annual taxes for the re-

demption of such loan with interest thereon; and shall have power and authority to levy and collect as a special tax from each lot holder or owner of the same, a sum sufficient to pave the sidewalk before such lot fronting on any street, or make any other regulations or enactments in relation to all the sidewalks in said borough.

5. Be It Further Enacted, That the said board of trustees shall appoint one of its members as president, who is hereby authorized to do all acts, execute all deeds, bonds or other writings required by the said board in behalf of the said corporation; and shall also appoint a collector of taxes and levies made by said board, which collector so appointed shall have power to make distress for such taxes and levies in the same manner that sheriffs are now authorized to do in collection of the revenue due to the commonwealth, and shall be entitled to the same commission and fees; which collector, before entering upon the duties of his office, shall execute a bond with good security, payable to the said corporation, in such penalty as the board may direct, conditioned to collect and pay to the treasurer all taxes and levies assessed by the board, and placed in his hands for collection; and the said corporation may from time to time recover, in any of the courts held in said county, upon ten days previous notice, any sum remaining due from said collector, against him and his securities, or either of them, with ten per centum damage on such sums from the time it becomes due until payment.

6. Be It Further Enacted, That if any loan or loans shall be negotiated by the authority of this act, the trustees of the said borough shall not contract to pay a higher rate of interest than six per centum per annum. And the said trustees shall fix the period or periods at which such loan or loans shall be redeemable, and shall levy annually upon the male inhabitants of said borough,

above the age of twenty one years, and upon the taxable property in said borough, a sufficient sum to pay the annual interest upon such loan or loans, and create a fund for the final redemption of the principal. And the president of the board of trustees shall grant certificates for such loans, under the seal of said borough, which shall be assignable and transferable on the books of said corporation, either in person or by attorney.

7. Be It Further Enacted, That all copies purporting to be copies of the by-laws, orders and ordinances of the said board of trustees or extracts from the same, certified to be correct by the president of the board, shall be received by all courts and magistrates as legal evidence.

8. And Be It Further Enacted, That all acts and parts of acts coming within the purview of this act, are hereby repealed; and this act shall be subject to be modified and amended, as to the general assembly may deem proper.

9. This act shall commence and be in force from the passing thereof.

THE CHARTER OF *"THE TOWN OF BEVERLY"*

(*Enacted by Legislature of West Virgina, Feb.* 10, 1871)

Chapter 21. An Act to extend and prescribe the limits of the Town of Beverly and to amend the Charter of the Town enacted by the General Assembly of the State of Virginia, January 17th, 1848.

Be it enacted by the Legislature of West Virginia:

1. The corporation limits and boundaries of the Town of Beverly, in the county of Randolph, shall be as follows: Beginning at the abutment of the bridge across Files' Creek, on the west of the Staunton and Parkersburg turnpike, south of Beverly; thence north 27, east 123 poles with the east line of the tier of lots east of Wal-

nut street to a stake, the south east corner of Baker's lot; also a corner to George Buckey's lot; thence north 45, east 78 poles to a stake in Parkinson Collett's field standing a northwest course thirty five links from a white oak stump; thence north 45, west 47 poles, crossing the Beverly and Fairmont turnpike to a stake in the edge of Collett's meadow; thence with the same bearing of last mentioned pike, south 41, west 24 poles to a stake in the line between George Buckey's and the heirs of Eli Kittle, deceased; thence, with their division line north 65, west 34 ½ poles to a stake in the stone quarry of said Kittle's corner; thence, with another of their lines south 17, west 4½ poles to a spanish oak stump, their corner; thence with another of their lines and passing their south west corner, south 27, west 178 poles to the middle of Files' creek; thence, up the same with the meanders thereof about 55 poles to the beginning.

2. The municipal authorities of said Town shall be a Mayor, three Councilmen, a Sergeant, Recorder, Treasurer, Assessor and a Superintendent of roads, streets and alleys, all of whom shall be elected annually by the citizens and owners of real estate in said corporation (who may be entitled under this act to vote) except the Recorder, Assessor and Treasurer, who shall be appointed by the Council from among their own number, and all of whom together shall constitute a common Council, a majority of whom shall constitute a quorum to transact business.

3. The bond of the Sergeant and Treasurer shall be in such penalty, not less than three hundred dollars, as the Council may prescribe.

4. The Mayor, Sergeant, Superintendent of roads, streets and alleys and the Councilmen, so soon as they shall have been elected, and qualified, as hereinbefore provided, shall be a body politic by the name of "The

Town of Beverly" and shall have perpetual successive and a common seal, and by that name may sue and be sued, plead and be impleaded; may purchase and hold real estate and other property necessary to enable them the better to discharge their duties, and needful for the good order, government and welfare of the said corporation as provided for by the Code of West Virginia, in the 47th Chapter thereof, not inconsistent with this act.

5. The term of office shall be (except when to fill vacancies) for one year and until their successors have been elected and qualified as hereinafter provided.

6. All officers of said corporation must be voters therein and entitled to vote for members of its common Council.

7. The first election under this act shall be on the first Monday in May, 1871, in the Town of Beverly, under the supervision of a Justice and Inspector of elections of Beverly township, and annually thereafter on the same day, under such supervision, rules and regulations as the Council may prescribe. The officers conducting the first election shall grant a certificate of election to the persons elected, which certificates shall be recorded in the journal kept by the Council.

8. All white male persons residing in said Town, or owning real estate therein, and who shall have paid the town taxes, if any assessed against them for the preceding year, shall be entitled to vote at all elections held in pursuance of this act, but no person who is a minor, or of unsound mind, or a pauper, or who is under conviction of treason, felony or bribery in any election, or who has not been a resident of the State for one year, and of the said Town or owning real estate therein for six months next preceding the day of election, shall be permitted to vote while such disability continues.

9. At all elections the vote shall be by ballot, and

when two or more persons for the same office at any election shall receive an equal number of votes, the person or persons conducting such election shall decide which of the said persons shall be returned elected. And all contested elections shall be determined by the Council for the time being. And when a vacancy shall occur, the vacancy shall be filled by appointment of the Council.

10. The Mayor, Recorder, Treasurer, Sergeant, Assessor, Councilmen and Superintendent of roads, streets and alleys, shall each before entering upon their duties, and within ten days after notice of his election, make oath or affirmation before an officer authorized to administer oaths that they will truly, faithfully and impartially discharge the duties of their said office respectively, so long as they shall continue therein. And if any of these officers shall fail within ten days so to qualify, his office shall be vacant.

11. The Council shall be presided over at its meetings by the Mayor, or in his absence by one of the Councilmen chosen by a majority of the Council, and a majority of the Council shall be necessary to constitute a quorum to do business. The Council shall cause to be kept in a well-bound book, an accurate account of its proceedings, by-laws, acts and orders, which shall be open to the inspection of the voters of the Town. The proceedings of the last meeting shall be read to the Council, corrected when necessary, and signed by the person presiding for the time being. Upon a call of any member, the ayes and noes in any question shall be called and recorded in the journal. The Mayor shall vote only in case of a tie, and shall have the casting vote.

12. The Council so constituted shall have power within said Town to lay off, open, curb and pave streets, alleys and gutters for the public use, and to alter, improve and to light the same, as well as the streets and alleys

kept in good order and free from obstructions on or over them; to regulate the width of streets and sidewalks and to order the sidewalks, footways and gutters to be curbed, paved and kept in good order, free and clean, by the owners of the adjacent property; to lay off public grounds and provide and contract for, and take care of, public buildings proper to the Town; to prevent injury or annoyance to the public, or individuals from any thing dangerous, offensive or unwholesome; to abate or cause to be abated anything, which, in the opinion of a majority of the whole Council, shall be a nuisance; to regulate the keeping of gunpowder and any other combustible; to provide for the burial of the dead and for this purpose, may purchase and hold land necessary for a cemetery near or convenient to said Town, and provide for its improvement and security; to provide for making division fences, and for shade and ornamental trees, and against danger or to prevent hogs and other animals from running at large in said Town; to provide a revenue for the Town and appropriate the same, and to provide the annual assessment of taxable persons and property of the Town; to adopt rules for the government of its own body, and to promote the general welfare of the Town, and protect and preserve peace and good order therein; to appoint such officers as they may see proper; to define their powers and prescribe their duties, fix their term of service and compensation, require and take from them bonds with such security and in such penalty as the Council may determine, conditioned for the true and faithful discharge of their duties; all bonds to be made payable to the Town in its corporate name; to regulate and provide for weighing and measuring hay, coal and other articles sold, or for sale in said Town; and to regulate the transportation thereof through the streets, and generally to do such things as the Council shall deem

necessary for the interest, prosperity, peace and good order of the citizens of said Town. To carry into effect these enumerated powers and all others conferred upon the said Town, or its Council, expressly, or by implication, in this or any other acts of the Legislature; the Council shall have power to adopt and enforce all needful orders, by-laws and ordinances not contrary to the Constitution and laws of this State, and to prescribe, impose and enforce reasonable fines and penalties, included imprisonment for a term not exceeding thirty days, under the judgment and order of the Mayor of said Town, or the person lawfully exercising his functions. The Council may have the right to use the jail of said county for the purpose of carrying into effect the administration of its affairs.

13. The annual levy ordered by the Council may be upon all male persons within said Town over the age of twenty-one years, and on all real and personal estate, not exempt from State taxation, and on all other subjects in said Town, as may at the time be assessed with State taxes; provided the tax does not exceed fifty cents on every hundred dollars of the value of the real and personal property, and such property embraced in said corporate limits shall be exempt from county levy.

CHAPTER II

Municipal Corporations

It is ordered by the Council of the Town of Beverly, that Chapter (8) "Municipal Corporations" of the Code of the State of West Virginia, adopted by the Legislature of said State in extraordinary session in the month of April, 1930, and to become effective on January 1st, 1931, be and the same is hereby, so far as applicable thereto, made part of the by-laws and ordinances of said Town, and any future amendments or additions to said Chapter 8 of future Legislatures shall be made part hereof so far as applicable.

CHAPTER III

Standing Rules of the Council

RULE
1. Meeting where and when held.
2. Power to call special meetings.
3. Mayor to preside at meetings.
4. Who to preside in absence of Mayor.
5. Questions of order decided by whom.
6. Members explanation and appeal.
7. Appeals from decision of Mayor when put.
8. Such appeals, how put.
9. Each member to vote unless excused.
10. When motion to be in writing.
11. Debated motion, when it may be withdrawn.
12. Order of proceedings.
13. Minutes to be read, signed and attested.
14. Order of proceedings, how changed or suspended.
15. Questions, how put to vote, division when called.
16. Of the previous question.
17. Of division of a question.
18. When the ayes and nays taken and recorded.
19. Protest of member, when entered on journal.
20. Names of members called in alphebetical order.
21. Of the passage of ordinances.
22. Of privileged motions.
23. Motion to adjourn always in order.
24. Motions not debatable.
25. Recommitment of orders or resolutions.

26. Mayor to give notice of special meetings.
27. Committees, how appointed.
28. Of standing committees.
29. Committee composed of what number.
30. Report of committee to be in writing.
31. Leave of absence.
32. Charges against officers to be in writing.
33. Orders of debate.
34. Fine for absence from meeting.

Rule 1. The meetings of the Council shall be held at the council chamber, at such times as may be fixed by general orders or by special orders of adjournment.

Rule 2. The Mayor, presiding officer of the Council, or any three members thereof, shall have power to call special meetings by reasonable notice to each member within town.

Rule 3. The Mayor shall take the chair at the hour appointed for the Council to meet, and having called the members to order, shall preserve decorum and enforce a strict observance of these rules.

Rule 4. In the absence of the Mayor, the Recorder shall preside; and in the absence of the Mayor and Recorder, the Council may appoint a chairman, or presiding officer, by a vote of a majority of the members present, who shall exercise all the powers and discharge all the duties pertaining to the office of Mayor during the absence of the Mayor and Recorder.

Rule 5. All questions of order shall be decided by the Mayor, or presiding officer, subject to appeal to the Council.

Rule 6. If any member transgress the rules of the Council, the Mayor shall, or any member may call him to order; in which case the member called to order shall immediately sit down and be silent, unless permitted by

the Council to explain; and the Council, if appealed to, shall decide the matter.

RULE 7. An appeal from the decision of the Mayor, or presiding officer, upon a question of order, shall be allowed to be put, upon the demand of one member besides the appellant.

RULE 8. The question upon an appeal shall be put in the following form substantially: "Shall the decision of the chair be reversed?"

RULE 9. Every member present when a vote is put, shall vote, unless the Council for special reasons shall excuse him; but the vote of no member shall be counted upon any question in which such member is interested pecuniarily or otherwise than a resident or tax-payer of the town.

RULE. 10 Every motion or proposition shall be reduced to writing, if the Mayor or any member demand it.

RULE 11. When a motion has been made and seconded, it shall be deemed to be in the possession of the Council, and shall be stated by the Mayor, or being in writing shall be read by the Recorder, previous to debate; such motion may be withdrawn at any time before decision or amendment, upon consent of the Council.

RULE 12. The order of proceedings at the meetings of the Council shall be as follows:

First—The unfinished business appearing on the minutes.

Second—Report of committees.

Third—Reports from any officer or officers of the town.

Fourth—Petitions of all kinds.

Fifth—Original propositions from any member.

RULE 13. At each meeting the journal of the preceding meeting shall be first read, and being approved,

shall be signed by the Mayor and attested by the Recorder.

RULE 14. The order of proceedings may be suspended or changed at any meetiing, for the time only, by a vote of a majority of the members present.

RULE 15. All questions shall be put substantially in this form: "As many as are in favor," (as the case may be) "say Aye!" "Contrary, No!"—and in doubtful cases, or when an affirmative vote of two-thirds of the members present is necessary to carry the proposition, the Mayor may direct, or any member call for a division.

RULE 16. The call for the previous question shall be decided by the following proposition; "Shall the Main Question be Put?" The call to be admitted only on demand of two members, and until decided shall preclude all amendment or debate of the main question.

RULE 17. Any member may call for a division of the question when the same will admit thereof.

RULE 18. The ayes and nays shall be taken and recorded upon any question before the Council upon the demand of any one member, but such call shall not preclude amendments before the main question is put.

RULE 19. Any one member shall have the right to protest against any ordinance, resolution or order of the Council which he may think injurious to the public or to any individual, and have the reasons for his protest entered upon the journal.

RULE 20. When the names of the members of the Council are called, to vote upon any question, they shall be called in alphebetical order.

RULE 21. The first reading of an ordinance proposed shall be for information, and if objections be made, the question shall be, "Shall the Proposition be Rejected?" If no objection be made, or the question to reject

be lost, the ordinance shall go to a second reading without further question, after which it shall be subject to amendment or debate. No ordinance shall be put to final passage until it shall have its third reading.

RULE 22. When a question is before the Council, no motion shall be received unless to amend, postpone, or commit the main question, or to adjourn.

RULE 23. A motion to adjourn shall always be in order, except when the Council is engaged in voting.

RULE 24. Motions to adjourn or lay on the table, shall be decided without debate.

RULE 25. An ordinance or resolution, after reference to a committee and a report thereon, may be recommitted at any time previous to its final passage.

RULE 26. The Mayor shall give to each member of the Council notice of the time and place of each special meeting.

RULE 27. All standing committees shall be appointed by the Council; all select committees shall be appointed by the Mayor, subject to approval by the Council.

RULE 28. The standing committee shall be as follows, viz: On Ordinances. On Finance. On Sanitation.

RULE 29. The standing committees shall each consist of three members, unless otherwise ordered at the time of appointment.

RULE 30. All reports of committees, unless special permission to the contrary be given by the Council, shall be in writing, signed by at least two members thereof and shall specify in the form of a resolution or ordinance at the close of the report, such action in the premises as the committee may recommend as proper for the Council to adopt.

RULE 31. No member shall leave a meeting of the Council without permission.

RULE 32. Charges against any officer of the town

shall be preferred in writing, verified by affidavit, and having been read, shall be laid on the table or referred to a committee for investigation without debate.

RULE 33. When a member is about to speak, he shall arise and respectfully address himself to the Mayor; when more than one member claims the right to speak at the same time, the Mayor shall pronounce the name of the member entitled to speak. No member shall speak more than twice on the same question without express leave from the Council.

RULE 34. Any member wilfully or negligently absenting himself from any meeting of the Council, after having had due notice of the time and place of such meeting shall forfeit and pay a fine of one dollar for every such offense; but the Council, for good cause shown, may remit any fine imposed under this rule.

CHAPTER IV

Elections

Section

1. Time and place of holding.
2. Appointing commissioners and clerks.
3. When polls are to be opened.
4. Oath of officers.
5. Qualified voters.
6. Recorder to provide poll books, etc.
7. Heading on poll books.
8. Method of voting.
9. Ballots, etc., to whom delivered.
10. Results declared by Council.
11. Contest.
12. Failure to qualify.
13. Fees for election officers.
14. Tie vote, how decided.

Sec. 1. The annual town elections shall be held on the first Tuesday in June, at such place as the Council may designate. Special elections for special purposes may be held at such time and place as the Council may designate.

Sec. 2. The Council shall, before each town election, annual or special, appoint three qualified voters, residents of the town, to act as commissioners of the election, and said commissioners shall appoint two clerks to assist in holding the election. Any one or more of said commissioners, in the absence, or refusal, or inability of the

others to act, may call to his or their assistance any qualified voter or voters present to supply the vacancy. And if all the commissioners so appointed fail to attend, or refuse to act, then the qualified voters present, being not less than five in number, shall elect, by a viva voca vote, three quilified voters to act as such commissioners.

Sec. 3. At every election the polls shall be opened on the day of such election as soon as practible after sunrise, but not before, and shall be closed at sunset.

Sec. 4. Every commissioner and clerk, appointed as aforesaid, shall, before entering upon the discharge of his duties, take and subscribe an oath to the following effect: "I, A. B., do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and that in the election about to be held, I will faithfully and impartially discharge the duties of my appointment to the best of my skill and judgment, so help me God." Said oath may be taken before any person authorized to administer oaths, and shall appear, properly certified, on each of the poll books of every election.

Sec. 5. All persons who have been bona fide residents of the town for six months next preceding an election held therein, and who are qualified voters under the constitution and laws of the State of West Virginia, and who have paid the town taxes, if any, assessed against them for the year next preceding, and none others, shall be entitled to vote at any election held in and for said town. And for the purposes of this section no person shall be deemed a resident of said town by reason of being a student of any school therein or being stationed therein for any temporary purpose.

Sec. 6. The Recorder shall, at the expense of the town, provide for each election and cause to be delivered in proper time, at the place of voting, two poll books,

with blank forms for the oaths of the commissioners and clerks written or printed thereon, ballot boxes, tally sheets for returns, and whatever else may be necessary for holding the election and making due returns thereof.

SEC. 7. Every poll book shall bear on the first page thereof the following heading: "Names of all persons voting at the election held within and for the town of Beverly, this —— day of ———."

SEC. 8. The mode and manner of voting, and the duties of the commissioners in conducting said elections and ascertaining and certifying the results thereof, shall be the same as that prescribed by the Statutes of this State in regard to general elections.

SEC. 9. Within one day after the day on which the election was held, the commissioners, or one of them, shall deliver the ballots, sealed up as provided by law, and one set of the poll books and one of the certificates required by law, to the Recorder, and the other certificate and set of poll books to the Clerk of the County Court of Randolph county.

SEC. 10. The Council shall, on the fifth day, (Sunday excepted), after each election, meet and canvass the returns of the commissioners, declare the result, and cause certificates to be issued to the successful candidates if demanded. The proceedings of such meeting and the result of said election shall be entered upon the journal as the proceedings of other meetings. The Council shall, at said meeting, upon the demand of any candidate voted for at such election, open and recount the sealed package of ballots, but in such case they shall seal up the same again, together with the original envelope in another envelope, making endorsement thereon as required by law.

SEC. 11. Before declaring the result of any election, the Council shall hear and determine any contest. If

any person desired to contest any election, he shall file notice thereof with the Recorder withing two days after such election, and shall give a similar notice to the party affected thereby. The Mayor shall thereupon convene the Council at once to hear and determine such contest.

SEC. 12. If any person elected to an office shall fail to qualify within ten days after notice of his election, he shall be deemed to have abandoned all claim to the office, and the Council shall at once proceed to fill the vacancy. Fraudulent or corrupt practices in connection with any election on the part of any candidate, or in his behalf, shall vitiate his election, and the Council, upon sufficient proof of such practices on the part of any candidate or in his behalf, may declare his opponent elected or the office vacant, and proceed to fill it as in the case of other vacancies.

SEC. 13. Each commissioner and clerk of elections shall be allowed two dollars for each day he shall so serve.

SEC. 14. Whenever two or more persons shall recieve an equal number of votes for the same office, if such number be the highest cast for such office, the persons under whose supervision the election is held, shall decide by lot which of them shall be returned as elected, and shall make their return accordingly.

CHAPTER V

OFFICERS
(Duties, Fees, Etc.)

SECTION

1. Appointment of officers.
2. Duties and oaths of officers.
3. Mayor casting tie vote.
4. Duties of Mayor.
5. Duties of Recorder.
6. Duties of Assessor.
7. Duties of Sergeant.
8. Depository.
9. Sergeant to be Superintendent.
10. Duties of Finance Committee.
11. Duties of Ordinance Committee.
12. Duties of Sanitation Committee.
13. Vacancies, how filled.
14. Salaries of Officers.
15. Fees of Witnesses.
16. Fees of Officers.
17. Penalty for neglect of duty.

SEC. 1. The Council shall, annually, at its first meeting in July, or as soon thereafter as practicable, advertise for sealed bids for the Sergeant, who shall also act as Superintendent of roads, streets and alleys, and hire the responsible person, who, in the opinion of the Council, will make the best officer.

SEC. 2. The duties and powers of the various officers shall be as prescribed by the charter, amended by chapter 8, "Municipal Corporations," of the code of this State, subject to modification by ordinance or resolution of the Council. Before entering upon the discharge of his duties, every person elected or appointed to office in said town shall, within ten days after notice of his election or appointment, take and subscribe the following oath or affirmation: "I, A. B., do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of this State, and that I will faithfully and impartially discharge the duties of the office of ————, of the town of Beverly, to the best of my skill and judgment, so help me God." The oath shall be taken before the Mayor or any person authorized to administer oaths, and a certificate thereof shall be filed with the Recorder and entered upon the journal of the Council.

SEC. 3. The Mayor shall vote only in case of a tie and shall have the casting vote.

SEC. 4. The Mayor shall be chief executive officer of the town, and shall take care that the orders, by-laws, ordinances, acts and resolutions of the Council are faithfully executed. He shall be ex-officio a justice and conservator of the peace within the town, and shall within the same, have, possess and exercise, all the power and perform all the duties vested by law in a justice of the peace, except that he shall have no jurisdiction in civil cases of causes of action arising out of the corporate limits of said town. He shall have the same power to issue attachments in civil suits as a justice of his county has, though the cause of action arose out of his said town. But in such cases, he shall have no power to try the same, but such attachment shall be returnable and be heard before some justice of the county

of Randolph. Any warrant or other process issued by him may be executed at any place within the county aforesaid. He shall have control of the police of the town, and may appoint special police officers whenever he deems it necessary; and it shall be his duty, especially, to see that the peace and good order of the town are preserved, and that persons and property therein are protected, and to this end he may cause the arrest and detention of all rioters and disorderly persons in the town before issuing his warrant therefor. He shall have power to issue executions for all fines, penalties and costs imposed by him, or he may require the immediate payment thereof, and in default of such payment he may commit the party in default to the county jail until the fine or penalty and cost shall be paid; but the term of imprisonment in such case shall not exceed thirty days. He shall from time to time, recommend to the Council such measures as he may deem needful for the welfare of the town. The expense of maintaining any person committeed to the jail of the county by him, except it be to answer an indictment, shall be paid by the town. But such Mayor shall not receive any money belonging to the State, or to individuals unless he shall give the bond and security required of a justice of the peace by the code of this State; and all the provisions of said code relating to moneys received by justices, shall apply to like moneys received by such Mayor.

Sec. 5. The Recorder shall keep the journal of the proceedings of the Council, and have charge of and preserve the records of the town. Said journal shall be kept in a well-bound book provided by the Council for the purpose, shall be an accurate account of all the proceedings, by-laws, acts, resolutions and orders of the Council, and shall be open to the inspection of the voters of the town. If no Assessor is appointed for the town by

the Council, it shall be the duty of the Recorder to make a copy from the County Assessor books of the assessment of the property within the town subject to taxation and report the same to the Council on or before the 1st day of September of each year. The Recorder shall each year after the assessment of the property within the town make out the tax receipts and deliver the same to the Sergeant, taking his receipt for them. The Recorder, at each meeting, shall make up a financial statement of the condition of the town from the Sergeant's report, bank deposits and his records, showing expenditures and record the same at the bottom of the record of that meeting. In the absence from the town, sickness, inability or refusal to act of the Mayor, or during any vacancy in the office of the Mayor, the Recorder shall perform the duties of the Mayor and be invested with all his powers. The Recorder shall be keeper of the seal of the town and shall affix the same, when necessary, or required by ordinance, or by order of the Council, to any deed or other paper.

Sec. 6. It shall be the duty of the Assessor, if one shall be appointed by the Council, to make an assessment of the property within the town subject to taxation, substantially in the manner and form in which assessments are made by the Assessor of the county, and return the same to the Council on or before the 30th day of June in each year, and for this purpose he shall have all the powers conferred by law on county assessors. He shall list the number of dogs in the town, and the names of the persons owning the same, which list shall be returned to the Council.

Sec. 7. It shall be the duty of the Sergeant to collect the town taxes, fines, levies, assessments, and all other moneys that may be due the town, and deposit to the account of the Town of Beverly in the bank designated as the depository by the Council, and in case the same

are not paid within one month after they are placed in his hands for collection, he may distrain and sell therefor in like manner as the officer collecting the State taxes may distrain therefor, and he shall have, in all other respects, the same power to enforce the payment and collection thereof. And the said Sergeant shall have all the powers, rights and privileges within the corporate limits of said town, in regard to the arrest of persons, the collection of claims, and the execution and return of process that can be legally exercised by the constable of a district within the same, and he shall be entitled to the same compensation therefor, and he and his sureties shall be liable to all the fines, penalties and forfeitures that a constable of a district is liable to for any failure or dereliction in said office, to be recovered in the same manner and in the same courts that fines, penalties and forfeitures are now recovered against said constable. The Sergeant shall, before entering upon the duties of his office, execute a bond, conditioned according to law, with surety satisfactory to the Council, payable to the town, in such penalty, not less than one thousand dollars, as the Council may prescribe.

The duties of the Sergeant shall further be to act as Superintendent of roads, streets and alleys and shall perform all the duties and have all the powers prescribed for the said Superintendent herein. He shall take charge and keep mowed and clipped the "Public Square", remove any and all dead animals from the streets and alleys of the said town and see that the electric lights are in order and report any that are out for the preceding month at each Council meeting.

It shall be the duty of the Sergeant during his continuance in office, to render an account of the taxes, fines, penalties, assessments and other claims placed in his hands for collection each month, and return a complete

list of such as he shall not have been able to collect by reason of insolvency, removal or other cause; to which list he shall make affidavit that he has used diligence to collect the same, but has been unable to do so; and if the Council shall be satisfied of the correctness of said list, it shall allow the Sergeant a credit for said claims.

If the Sergeant shall fail to collect, account for, and deposit in the bank designated by the Council in the name of the town, all or any of the moneys with which he may be chargable, belonging to the town, according to the condition of his bond, it shall be lawful for the Council to recover the same by action or motion, in the corporate name of the town, in the circuit court of the county of Randolph; or when the sum does not exceed three hundred dollars, before a justice of the district in which said town is situated, against the Sergeant and his sureties, or any or either of them, or his or their executors or administrators, on giving ten days notice of such motion.

The Sergeant, his deputies and assistants, shall see that peace and good order are preserved throughout the town, both night and day; shall prevent the breach of any ordinance, if possible, and shall arrest all offenders promptly; and shall, upon order of the Mayor, deliver to the jailer of the county of Randolph any person in custody to be held subject to the further orders of the Mayor. The Sergeant and his deputies shall, when on duty, wear such uniform or badge as may be prescribed by resolution of the Council.

That the Sergeant of this town is authorized and is hereby empowered to enter any public place of business in said town to make, or follow up and arrest, persons guilty of any offenses against the ordinances of the town, and that the Sergeant is further authorized to enter any public place of business where disturbances are going on and arrest the person creating the same.

SEC. 8. The office of Treasurer is discontinued and a bank shall be by the Council designated as a depository for its funds.

The Sergeant shall deposit all moneys of the town to its account in said depository.

All bills against the town shall be paid by check on its account, countersigned by the Mayor and Recorder.

SEC. 9. The Sergeant shall be the Superintendent of roads, streets and alleys, shall have charge of the "Public Square," roads, streets, alleys, sidewalks, culverts, sewers, bridges and other property of the town, and shall see that the same are kept free from obstruction, clean and in good repair. He shall from time to time recommend to the Council such improvements as he may deem proper to be made, and report the probable expense thereof. It shall be his duty to keep a complete list of all persons and teams employed, and of all material used by him in construction or repair of the roads, streets, alleys, side walks, cross-walks, culverts, sewers, bridges, and gutters of said town, and report the same to the Council at its meeting each month.

SEC. 10. It shall be the duty of the Finance Committee to examine and report on the collections, accounts and the amount deposited in the bank by the Sergeant to the credit of the town, the annual levy, all bonds and any other duties required by the Council.

SEC. 11. The Committee on Ordinances shall draft, examine and recommend necessary orders, resolutions, rules and ordinances, and shall perform such other duties as the Council may require.

SEC. 12. The committee on Sanitation shall annually, on or before the first day of July, and oftener if required, make a careful examination into the condition of all privies, pig-pens, stables, drains, ditches, sewers, and other places which are or may become nuisances in

the town and affect the public health, and report the same to the Council. The Sergeant shall be a member of this committee. The Sergeant shall, at any time, promptly upon notice, cause to be removed from the town any dead animal or other decaying substance to which is or may become offensive or injurious to the public, or to any citizen of the town. If such removal be from any lot, it shall be at the expense of the owner or occupant of such lot; if from any road, street or alley of the town, and no person be found who can be held liable for the removal thereof, then such removal shall be made at the expense of the town.

SEC. 13. Vacancies in the office of the Mayor or Councilmen, shall be filled by appointment by the Council until the next town election. All officers shall continue in office until their successors are duly elected, or appointed, and qualified.

SEC. 14. The Mayor, Recorder, Sergeant and Assessor shall each receive a compensation for his services, to be fixed by the Council, which compensation shall not be increased or diminished during the term for which the receipient shall have been elected or appointed.

SEC. 15. Witnesses for the town shall be allowed the same fees as witnesses before a justice.

SEC. 16. The following officers shall be entitled to charge the following fees, to be taxed as part of the costs in any case, or to be paid by the party at whose instance the services are rendered, but in no instance to be paid out of the treasury of the town, to-wit:

The MAYOR: For all services in a case before him, the same fees as a justice of the peace.

The SERGEANT or other police officer: For making an arrest, one dollar, where the body is actually taken; and for each necessary assistant, one dollar. For other services, the same fees as a constable in similar cases.

The Recorder: For making copies from books or papers in his possession, a specific fee of twenty-five cents, or in lieu thereof, ten cents for every hundred words.

Sec. 17. Any officer who shall knowingly neglect any of the duties of his office, as prescribed by the charter or ordinances of the town, shall, upon conviction thereof before the Mayor, when no other penalty is specifically provided therefor, forfeit and pay a fine of not less than one or more than twenty dollars. In case of the Mayor, the fine may be imposed upon conviction before the Council. The fine imposed, upon conviction under this section, may be deducted from the salary or compensation of the offender: Provided, That the total amount of such fines imposed in any one year shall not exceed the salary or compensation of the officer for that year.

CHAPTER VI

GENERAL POLICE AND MISCELLANEOUS ORDINANCES

Sec. 1. It shall be unlawful for any person to do, or cause to be done, any act or thing, contrary to the laws of morality, decency and good behavior, or that may infringe upon the rights of another.

Sec. 2. It shall be unlawful for any person to commit or perpetrate any indecent, immodest, lewd or filthy act, or utter any lewd, filthy or profane language in any street, alley or other public place, or in any private place, to the annoyance of the public or of any individual.

Sec. 3. It shall be unlawful for any person to make any indecent or immoral exhibition or exposure of his person, or to cause, or to procure any person to do the same in the presence, or view of any other person, or to appear in any street, alley, or other public place in the state of intoxication.

Sec. 4. It shall be unlawful for any person to publicly exhibit any indecent painting, engraving or print, sculpture, picture or representation, or to print, engrave, make, sell or offer or exhibit for sale any indecent, immodest or lascivious books, pamphlets, papers, pictures or statuary.

Sec. 5. It shall be unlawful for any person to commit or cause any riot, noise, disorder or tumult within the town, or to use toward any one any abusive or insulting language, tending to violence and breach of the peace.

Sec. 6. It shall be unlawful for any one to commit an assault or battery, or aid and abet or encourage any one in doing so.

Sec. 7. It shall be unlawful for any person or persons to idly loiter upon, at, or near any bridge, dwelling-house, church, hotel, street, alley or sidewalk, or in any vacant lot or board yard, or to wander about the streets by day or night, not having a known place of abode or means of livelihood, and not able to give a satisfactory account of himself, or to be in any gambling house or room used for the purpose of gambling therein.

Sec. 8. It shall be unlawful for any person, on any bridge, side-walk, street or alleys to conduct himself in a manner annoying to persons passing by, or to occupants or residents of adjoining building, or to ring any door bell, or rap on any door or window, to annoy or deceive the inmates of any house, office, store or shop.

Sec. 9. It shall be unlawful for any person not the owner thereof, to trespass, cut or injure any shade or ornamental tree; to deface, remove, injure or destroy any tombstone, monument or flower, or other thing of value in any cemetery, public square, yard, garden, lot, street, alley or public place, or to maliciously or intentionally engrave, deface, mutilate or destroy any of the property of the town or any church, school house, house, fence, railing, wall or any goods and chattels, the property of any other person without the consent of the owner thereof; or to carry off from any building, enclosure, lot or railroad yard, any property not his own, without the consent of the owner of such property, or of the person having it in custody.

Sec. 10. It shall be unlawful for any person to throw water, slop, offal, ashes, shavings, coal, cinder, mud, dung or other filth from his house, kitchen, stable, hog-pen or premises, or any tacks, nails, barb wire, glass or tin cans into or upon any street, alley, side-walk or public place, or upon the lot or property of another, or permit or suffer the same to be done by any person in his employment or belonging to his family, or allow any offensive liquid to be discharged from any house, factory or lot, upon any street, alley or side-walk. Nor shall any person suffer or permit the waste water from his house or kitchen to run or flow upon the property of another, or into or upon any street, alley or public place, where there are sewers on such street, alley or public place accessible to such house. In no case shall the waste water be allowed to run over the side-walks, but the owner of the property shall provide the necessary means to carry such waste water under the side-walk into the sewer or gutter by a closed drain or piping. Nor shall any person change the natural drainage so as to throw the water from his lot on the lot of another without such other's permission, or upon any street, alley, or public place, without the permission of the Council.

Sec. 11. It shall be unlawful for any person to obstruct any street, alley, sidewalk, crossing, or public place, by allowing any wagon, cart or other vehicle or any coal, coke, wood, ashes or other filth, or any brick, stone, or other material being used in building, or any incumbrance whatever, to remain on such street, alley, sidewalk, crossing, or public place, an unreasonable time. It shall be unlawful to sell at public auction (officers of the law excepted), any goods, wares and merchandise on the streets and sidewalks, or to lead or drive any animals, automobile, truck or motor driven vehicles, on any sidewalk, except in cases of necessity, or to shoe horses or other work animals thereon, or to permit any such animals, automobile, truck or motor driven vehicles to stand on any such sidewalk or street crossing, or to obstruct

the streets, alleys and sidewalks for any purpose whatever unnecessarily.

SEC. 12. It shall be unlawful for any person to obstruct any sewer or gutter, or to allow any cess-pool or privy vault to empty therein.

SEC. 13. It shall be unlawful for any person to dig or break up any of the streets, alleys, sidewalks, or public places without the permission of the Council, or to allow any excavation in a street, alley, sidewalk, or public place, to remain open without proper barricades around the same.

SEC. 14. It shall be unlawful for any person, without the permission of the Council, to obstruct the streets, alleys or sidewalks in any manner to any extent by building porches, porticoes, verandas, balconies, bay or show windows, steps, areas, fences, walls or railings, or erecting gasoline tanks and pumps, sign posts, signs, lamps, hitch racks, or awnings, or by continuing any such porches, porticoes, verandas, balconies, bay or show windows, steps, areas, fences, walls, railings, hitch racks, gasoline tanks and pumps, sign posts, signs or awnings already erected on or over any sidewalk, street or alley, after notice in writing to remove the same has been served upon the owner thereof by direction of the Council.

SEC. 15. It shall be unlawful for any person to fly a kite, play at football, baseball, bandy or shinny, or engage in any play, sport or exercise which might produce any bodily injury to any one, or endanger the life or property of any person, on any street, sidewalk, alley, bridge or public place.

SEC. 16. It shall be unlawful for any person to gallop any horse, gelding, mule or ass, or ride or drive any such animal at an improper or dangerous speed, or to run or race any such animal, or start the same for the purpose of running or racing within any of the streets

or alleys; or to suffer any such animal to stand on any street, alley, road or public place within the town without being properly fastened, or being watched by some person competent to prevent the same from starting.

SEC. 17. It shall be unlawful for any person, without permission from the Council, to keep any slaughter house, or to kill or slaughter for sale any animal within the jurisdiction of the town, and every day such slaughter house shall be so kept shall constitute a distinct offense.

SEC. 18. It shall be unlawful for any person to burn or cause to be burned, any shavings, paper, or other combustible in any part of the streets, alleys, public places, or in any yard, except workmen whose business necessarily requires out door fires, nor then, if in the opinion of any two respectable house-holders, any building might thereby be endangered. Nor shall any person boil oil, tar or vanish within twenty feet of any building. Nor shall any person spit or expectorate on any of the sidewalks of said town. And it shall be unlawful to spit or expectorate in or about any public place or building to the annoyance of any person rightly there.

SEC. 19. It shall be unlawful for any person without a written permit from the Mayor, to fire or discharge within the corporate limits, any cannon, gun, pistol or firearm of any kind, or any cracker, squib, rocket or fireworks, except in case of necessity, or in discharge of a public duty.

SEC. 20. It shall be unlawful to keep in any shop, store or ware-house, or other house or building, without special permission from the Council, a greater quantity of powder at any one time than fifty pounds, or any other explosives in dangerous quantities.

SEC. 21. It shall be unlawful for any person to over-drive, over-load, torture, torment, deprive of necessary substance, or unnecessarily or cruelly beat, or need-

lessly mutilate, kill or cause or procure to be over-driven, over-loaded or tortured, tormented, or deprived of necessary substance, or needlessly mutilated or killed, as aforesaid, any domestic animal.

SEC. 22. It shall be unlawful for any person to wilfully cause a false alarm of fire or cry "fire" or ring any bell or do anything creating, or tending to create a false alarm of fire.

SEC. 23. It shall be unlawful for any owner or occupant of any livery or other stable, or any out-house that may contain hay, straw or other fodder, or for any person in his employment, or any other person, to use or carry therein any lighted candle or other light, unless the same be secured within a tin, horn or glass lantern.

SEC. 24. It shall be unlawful for any person to carry about his person any revolver or other pistol, dirk or bowie knife, razor, slung-shot, billy, metallic or other false knuckles, or any other dangerous or deadly weapon of like kind and character, without a written permit from the Mayor, but the mere carrying of a revolver or pistol home from the store when purchased, or to and from a shop for repairs, shall not be deemed a violation of this section.

SEC. 25. It shall be unlawful for any person to ride or drive on any bridge faster than a walk.

SEC. 26. It shall be unlawful for any person to bathe in any portion of the Tygart's Valley River or Files' Creek within the corporate limits of said town or in sight of any dwelling within said town, from sunrise until one hour after sunset.

SEC. 27. It shall be unlawful for any person to sell any diseased, corrupted, unwholesome, or adulterated provisions, whether food or drink, without first making the same known to the buyer.

SEC. 28. It shall be unlawful for any person to

throw, or cause to be thrown, into any well, cistern spring, brook or branch of running water which is used for domestic purposes, or into the Tygart's Valley River or Files' Creek, within or adjacent to or within one mile above town, the carcass of any dead animal or fowl, or any part thereof, or the contents from any cess-pool or privy vaults, or any putrid, nauseous, offensive or poisonous substance.

SEC. 29. It shall be unlawful for any person to allow on his premises, or under or in any of his buildings, any dead animal, putrid, or decaying substance, manure, dirt or filth of any kind that produces an unpleasant odor, or taints the air. And if any animal, the property of any person, shall die, the owner thereof shall remove and bury it at least three hundred yards beyond the corporate limits, and at least two hundred yards from all dwelling houses, and upon failure to do so, such owner shall be deemed guilty of an offense. Nor shall any person kill any animal and allow it to remain within the corporate limits so as to become a nuisance.

SEC. 30. It shall be unlawful for any person to bring into the town any person infected with any contagious or infectious disease, or the corpse of any person who died of such disease, except it be a citizen thereof. And in case a citizen, or the corpse of any citizen so affected, shall be brought into the corporate limits of the town, such person or the person bringing such corpse shall give previous notice thereof to the Mayor, Sergeant or some member of the Council, and upon failure of any such person to give such notice, he shall be deemed guilty of an offense.

SEC. 31. It shall be unlawful for any person to post any written or printed notices or bills, or nail up any board or tin advertisement, or show pictures on any bridge, building, fence, wall or lamp post without the

consent of the owner thereof; or to tear down, mutilate or destroy such advertisement, notice or bill lawfully posted or painted.

SEC. 32. It shall be unlawful for any person to attempt to or climb or jump on or off of any railroad engine, car, or train while the same is in motion, unless such person is an officer or employee of the railroad company.

SEC. 33. It shall be unlawful for any owner to allow any horse, mule, cow, cattle, sheep, hog, goat or other domesticated animal or wild beast to go at large unrestrained within the corporate limits. And it shall be the duty of the Sergeant or other police officer to impound any such animal found going at large until the owner thereof can be ascertained, if he be unknown, and until the costs and fine imposed, if any, together with the expense of keeping and feeding such animal, be paid, and if the same be not paid within ten days, it shall be the duty of the officer to sell the same in the manner that sales are made under execution. For his services in seizing and impounding any animal under this section, the Sergeant shall have a fee of seventy-five cents.

SEC. 34. It shall be unlawful for any owner to allow his chickens, or other fowls, cat or dog, to run at large or keep any bees, to the annoyance of his neighbors or the public. And if any owner have notice that his chickens, or other fowls, cat or dog, while running at large, or his bees, are annoying any residents of the town, he shall be deemed guilty of offending against the provisions of this section, unless he shall immediately remove said bees from the corporate limits and confine said chickens or fowls, cat or dog; and the allowing of any female dog to go at large during her running season shall be deemed an offense within the meaning of this section.

SEC. 35. It shall be unlawful for any person to play ball, play marbles, pitch quoits, or engage in any game

or sport, utter loud cries, quarrel, riot, hunt, fish, or sell goods, wares, merchandise or intoxicating drinks, or engage in any common labor or secular business on the Sabbath day, other than work of necessity or charity, except such persons as conscientiously observe Saturday as the Sabbath.

SEC. 36. It shall be unlawful for any person to molest or insult any person whomsoever, when going to or returning from a religious meeting.

SEC. 37. It shall be unlawful for any person to behave rudely or disorderly in or near any church, meeting-house or place of religious worship.

SEC. 38. It shall be unlawful for any person to idly loiter at or near the door of any church, meeting-house or place of public amusement, and not depart thence peaceably and quietly when requested so to do.

SEC. 39. It shall be unlawful for any person to disturb any religious meeting or congregation, or school exhibition, examination, concert, or theatrical or other public entertainment, by any boisterous, rude or ungentlemanly conduct. Any officer or citizen present at such place may arrest or cause the arrest of any person committing an offense against the provisions of this section. If any officer or citizen present is not able to arrest the offenders on account of their number, it shall be the duty of such officer or citizen to take their names, and at his earliest opportunity furnish the same to the Mayor, who shall at once begin proceedings against each, separately, for the offense charged. Any police officer who shall neglect his duty under this section shall be deemed guilty of an offense.

SEC. 40. It shall be unlawful for any person to keep a house of ill-fame, or bawdy or assignation house, or for the owner of any property, or his agent, to allow such house to be kept on any premises under his owner-

ship or control. All such houses are hereby declared to be public nuisances, and shall be abated and closed by order of the Mayor, for a period not exceeding thirty days, whenever their existence is established by competent evidence. The owner or person having control of any property in which such house is kept, shall be presumed to have knowledge of the house there kept, unless such owner or person shall show by affirmative testimony his ignorance of the nature of the house there kept, and agree to prevent its continuance by requiring the offenders to vacate the property.

Sec. 41. It shall be unlawful for any person to knowingly associate with or harbor lewd and dissolute women, or to idly loiter about common ordinaries, restaurants, or for the proprietor of any such places to allow about his premises any drunkenness, public lewdness, obscenity, or any conduct that disturbs the peace and quiet of the neighborhood.

Sec. 42. It shall be unlawful for any persons to assemble on any bridge, street, alley, or public place, or in any house or out-house, or in any yard or lot within the town for the purpose of prostitution, lewdness or indecency. It shall be unlawful for any prostitute to be in any such place between sundown and sunrise. If any person be found loitering or lounging about a house reported to be a bawdy house or house of ill-fame, he shall be deemed guilty of a offense, unless such person shall show in defense that such house is not a bawdy house or house of ill-fame.

Sec. 43. It shall be unlawful for any person not married to each other to lewdly or laciviously associate and co-habit or to be guilty of adultery or fornication.

Sec. 44. It shall be unlawful for any person to play or bet on any game in or by which money or other thing of value may be won or lost, or for any person whomsoever to keep or exhibit any table, instrument, device or other thing whatsoever, used for the purpose of gaming, or on or with which money or other things of value may be won or lost.

Sec. 45. It shall be unlawful for any person to keep a room, building, arbor, booth, stand, shed, tenement, or railroad car or to rent the same to be used or occupied for the exhibition or keeping of any such table, instrument, device or thing, or for playing therein, or thereon, any such game as is prohibited by the preceding section. If the owner or lessee of any room, building, arbor, booth, stand, shed or tenement shall know that any table, instrument, device or thing, used for the purpose of gaming, so kept or used in or about the same, or that any game of chance or skill, by or at which money, or other things of value, may be lost, or won, is being played therein or thereon, and shall not forthwith cause a complaint to be made against the person or persons so using the same, or playing at, or suffering the playing of any such game therein, or thereon, such owner or lessee, shall be taken, held, and considered to have knowingly permitted the same to be used for gaming, and shall be deemed guilty of an offense against the provisions of this ordinance. All such tables, instruments, devices, or things being used for the purpose of gaming, may be seized and destroyed by any of the officers of the town.

Sec. 46. It shall be unlawful for any person to bet any money or other things of value, on any election or on anything whatsoever. And the money so bet shall be forfeited to the town, and it shall be the duty of the stake-holder to turn the same over to the Sergeant to be paid into the town treasury. And if any stake-holder or other person having charge of any money or other thing on a bet or wager, refuse or neglect to turn the same over to the Sergeant as hereinbefore required, such

stake-holder shall be deemed guilty of an offense.

SEC. 47. It shall be unlawful for any owner to follow any employment or business within the town for which a town license is required without having first paid such license.

SEC. 48. It shall be unlawful for any person to hinder, or resist, or attempt to prevent, or deter by threats, menaces, force or otherwise, any officer of the town from properly discharging the duties of his office, or to refuse when called upon, to assist any such officer in making an arrest or quelling a riot.

SEC. 49. It shall be unlawful for any person to ride any bicycle or tricycle, roll any wheelbarrow or hand-cart; or slide or pull any sled, on any sidewalk of the town.

SEC. 50. It shall be unlawful for any person to hitch or tie any horse, mule or other animals to any lamp-post or upon or across any sidewalk of the town.

SEC. 51. It shall be unlawful for any person to break or injure any street lamp or for any person, without authority from the Council, to light or extinguish same.

SEC. 52. It shall be unlawful for any person to erect or maintain any barbed wire fence, or any fence having thereon one or more strands of barbed wire, next adjacent to any sidewalk of the town. And each day such fence or wire is maintained after being so erected shall be deemed a separate offense.

SEC. 53. It shall be unlawful for any person to allow any dangerous chimney, flue, roof or building to remain on his premises after notice to repair or remove the same has been given him by the Sergeant. Any such dangerous chimney, flue, roof or building may be declared a nuisance and ordered by the Council to be abated at the expense of the owner of such nuisance.

SEC. 54. It shall be unlawful for any person to blow

a locomotive whistle, except when life or property is endangered, or to allow any engine under his charge to blow or pop-off steam unnecessarily, or to run such engine with or without a train attached, within the corporate limits, at a greater speed than six miles per hour and without at the same time ringing his bell.

SEC. 55. No person without a permit from the Council shall erect a building of any kind or place gasoline, oil or other tanks and pumps under or on the streets and alleys of the town.

SEC. 56. No person shall do any act or thing which under the law would be a nuisance.

SEC. 57. No person, without the consent of the Mayor, shall preach or make an attempt to speak, except in political campaigns upon any streets, alleys or roads of the town.

SEC. 58. It shall be unlawful for any owner or manager of any pool room, bowling alleys, or tables and games of like nature, to allow any person or persons under the age of sixteen to be in or loiter around their respective places of business. All pool rooms and bowling alleys shall be closed not later than twelve o'clock midnight, and shall not open for business before six o'clock A. M.

SEC. 59. No person shall engage in any trick, scheme or device with intent to swindle or wrong another out of money or other things of value.

SEC. 60. It shall be the duty of every person who owns property upon which there is a house or building, or upon which there shall be hereafter built a house or building, that has a porch or balcony that protrudes or extends over the street or sidewalk, to have the same properly spouted and if the owner fail or refuse to properly spout the same within ten days after being duly notified so to do, he or she may be arrested.

SEC. 61. It shall be unlawful for any person or per-

sons, or for any incorporated company to engage in any business, vocation or calling within the corporate limits of the town which is contrary to the laws of the State.

SEC. 62. If any person or persons commit any of the offenses prohibited and enumerated in this General Police and Miscellaneous Ordinances, he or she shall upon conviction thereof forfeit and pay a fine as follows:

For a violation of sections one, seven, eight, fifteen, sixteen, nineteen, twenty-three, thirty-one, forty-nine and fifty a fine of one dollar and costs; for a violation of sections two, four, six, ten, eleven, twelve, eighteen, twenty, twenty-five, thirty, thirty-three, fifty-two, fifty-four, fifty-six, fifty-seven and sixty a fine of two dollars and fifty cents and costs; for a violation of sections three, five, thirteen, fourteen, twenty-one, twenty-two, twenty-six, thirty-two, thirty-four, thirty-five, forty-four, forty-six, fifty-four, fifty-five and fifty-eight a fine of five dollars and costs; for a violation of sections nine, seventeen, twenty-seven, twenty-eight, twenty-nine, thirty-six, thirty-seven, thirty-eight, forty-two, forty-three, forty-seven, forty-eight, fifty-one and fifty-three a fine of ten dollars and costs; for a violation of sections thirty-nine, forty, forty-one, forty-five and sixty-one a fine of twenty-five dollars and costs; for a violation of sections twenty-four and fifty-nine a fine of fifty dollars and costs and in the discretion of the Mayor, said persons may be imprisoned in the Randolph County jail for a period not exceeding thirty days. If said persons fail or shall refuse to pay any fine imposed and the costs of his or her arrest and trial, the Mayor, if he deem proper, may commit said person to the Randolph County jail, not exceeding thirty days, and may require the persons to work upon the streets and alleys as hereinafter provided.

CHAPTER VII

ENFORCEMENT OF FINES AND PENALTIES

SECTION

1. Summons or Warrants.
2. Summons, when issued.
3. Trial.
4. Warrant for arrest.
5. Contempts and resistances.
6. Conduct of Officers.
7. Neglect of Officers.
8. Execution of process.
9. Execution for fines.
10. Remission of fines.
11. Mayor's docket.
12. Costs.
13. Fines.
14. Work on streets.

SEC. 1. Proceedings for the enforcement of all fines and penalties shall be by summons or warrant of arrest, issued by the Mayor, except when an offense is committed in the presence of any police officer, member of the Council, or Mayor, such officers may cause the offender to be immediately apprehended without summons or warrant.

SEC. 2. Upon reasonable information that an offense has been committed by any person against any of the ordinances of the town, the Mayor shall issue a sum-

mons on behalf of the town to the Sergeant or any policeman, commanding him to summon the accused to appear at the time and place therein set forth, to answer the charge, setting said charge forth with sufficient certainty to give the accused full information of its nature. Such summons shall be served and returned as summons in a civil case before a justice of the peace.

SEC. 3. If the accused appear at the time of the return, the matter shall be tried at once, unless for good cause a continuance be granted. If the accused fails to appear after summons has been duly served, and a reasonable time has elapsed between the service and return day, the Mayor shall examine the evidence and render judgment for a reasonable fine, as though the accused had appeared and pleaded. The Mayor may set aside any judgment and grant a re-hearing, for good cause, within ten days after judgment is rendered. A party charged with an offense may appear without a summons and submit himself to the jurisdiction of the Mayor; in such case the trial shall proceed as though summons had been served.

SEC. 4. Upon information under oath, which shall be reduced to writing and signed by the complainant, the Mayor shall issue a warrant in the name of the State of West Virginia, directed to the Sergeant or any policeman, requiring him to forthwith apprehend and bring before him the party accused, to answer the charge, setting said charge forth as in case of a summons. The accused, when apprehended, shall be tried as in other cases, and may be detained in custody or released on bail, in the discretion of the Mayor, until the case is finally disposed of. If in any of the proceedings, whether by summons or warrant, the accused be adjudged guilty, the Mayor may require immediate payment of the fine and costs, and in default thereof, may imprison the offender until the fine and cost thereof be paid: Provided, That such imprisonment shall not exceed thirty days.

SEC. 5. For any abusive or contemptous language or conduct toward the Mayor while in the discharge of his official duties, or for any resistance to or obstruction to an officer in the discharge of his official duties, any person may at once be apprehended, without warrant, and adjudged to pay a fine of not exceeding one hundred dollars and imprisoned in the county jail not exceeding thirty days.

SEC. 6. Any officer, while in the discharge of his official duties, who shall use any profane or filthy language or shall conduct himself in an insolent, overbearing or abusive manner towards any peaceable stranger therein, or who shall use undue violence in making an arrest, or who shall become intoxicated, or loaf about houses of ill-fame, gambling, or other places of bad repute, where his duties do not require his presence, shall forfeit and pay a fine of not exceeding fifty dollars.

SEC. 7. If the Sergeant or any police officer shall fail or neglect for an unreasonable time to report any offense against any ordinance that may have come to his knowledge from any source whatever, or shall neglect to execute any order of the Council, or any summons or warrant for an unreasonable time, he shall be liable to pay a fine of not exceeding fifty dollars.

SEC. 8. For the purpose of executing any warrant of arrest, capias profine, or other execution or order of the Mayor or Council, or of preventing the commission of any offense, or of arresting a person in the act of committing an offense, or a fugitive from justice, or for the purpose of abating any nuisance, it shall be lawful for the Mayor, Sergeant, or any police officer to enter any building, house, out-house, garden or lot within the town.

SEC. 9. In case the offender is not in custody, or present at the trial, the Mayor may issue such executions, including a capias profine, as he may deem necessary to secure the payment of any fine. Imprisonment on a capias profine, or in default of payment thereof, shall not be deemed a satisfaction of the fine; but an offender shall not be liable to imprisonment for more than thirty days by reason of failure to pay any one fine.

SEC. 10. The Council may, on proper application, remit in part or in whole any fine or penalty which shall be made to appear plainly unjust, illegal or excessive. Petitions for the remission of fines shall be in writing, and set out the grounds for the application, and be accompanied by the necessary affidavits to establish the truth of the allegation therein contained. Such petitions shall be referred to the committee on ordinances for careful investigation and report before being acted upon by the Council.

SEC. 11. The Mayor shall keep a record of all proceedings before him a docket, to be furnished by the Council, which shall always be open to public inspection. He shall annually, on or before the 30th day of June in each year, lay before the finance committee, a statement of all fines imposed by him during his term of office.

SEC. 12. An offender against whom a fine is imposed, shall pay the necessary cost of his conviction. Prosecutors may be required to enter themselves security for costs, and in such cases if it appears the prosecution was instituted out of malice and without good cause, judgment may be given against the prosecutor for costs.

SEC. 13. All fines shall be collected by the Sergeant, and deposited to the account of the Town of Beverly in the bank designated as the depository by the Council.

SEC. 14. Any person, upon whom a fine has been imposed for the violation of any ordinance of the town, and who shall fail or refuse to pay the same, together with the costs of his conviction, may upon the order of the Mayor, be confined in the county jail of Randolph county for such term, not exceeding thirty days, as the Mayor may deem proper.

SEC. 15. The Mayor may require any persons sentenced by him to confinement to the county jail for nonpayment of a fine imposed, to work upon the roads, streets and alleys, at the rate of one dollar per day, until the said fine, together with the costs of arrest and trial and the expenses of imprisonment and discharge shall have been paid. To provide for the safe keeping of any person ordered to work upon the roads, streets and alleys of the town under the provisions of this section, the Mayor may, if he deem it necessary, require that the body of such prisoner be secured, while appointed so to work, by means of a ball and chain attached to his person; said ball and chain to be provided by said Sergeant at the expense of the town; and any person ordered so to work and refusing to do the same, may be ordered by the Mayor to be remanded to jail, and there confined, upon a diet of bread and water alone, for such time, not exceeding thirty days, as to the Mayor may seem just and proper. For the purposes of this section, the said Sergeant shall have full power to receive from jail, detain, arrest and return to jail any person so ordered into his custody by the Mayor. Said Sergeant shall keep a complete list of all persons working upon the roads, streets and alleys of the town under this section, together with the amount of time worked by each person, and from time to time, report the same to the Council; and when the costs of any case shall have been paid as herein provided, the Council shall thereupon cause a check to be issued to the

persons entitled thereto, for the amount of said costs due to each, respectively; and whenever the amount of work done by any person under this section shall not be sufficient to discharge both the fine and the costs against him, the costs shall be deemed to have been paid first.

SEC. 15. The county jail of Randolph county shall be, and the same is hereby adopted by Council, as the place of imprisonment of all persons violating any of the ordinances of the town and sentenced by the Mayor, or other officer exercising the power of the Mayor, to confinement for such offense or for non-payment of any fine imposed. And any person who shall be apprehended in the night time or on Sunday by the Sergeant or any of his deputies, or by any officer of the town on charge of violating any law or ordinance of the same, shall be committed to said county jail for safe keeping until he shall be tried for such offense or discharged by order of the Mayor.

SECTION VIII

AUTOMOBILE REGULATIONS AND FINES

SECTION

1. Without proper license tag.
2. Without proper brakes and lights.
3. Without Operator's and Chauffeur's license.
4. Operating while intoxicated.
5. Speed limit.
6. Parking.
7. Passing other vehicles.
8. Racing and reckless driving.
9. Fines and penalties.

SEC. 1. It shall be unlawful for any person or persons to operate on, over or upon any of the streets, alleys or highways of the town an automobile, motor vehicle, or any other conveyance, the motor power of which shall be electricity, steam, gasoline or other source of energy, without a proper license tag therefor.

SEC. 2. It shall be unlawful to operate any automobile or other such vehicle upon the streets, alleys and highways of said town without good and sufficient brakes and lights as specified by the statutes of the State of West Virginia.

SEC. 3. It shall be unlawful for any person to operate any such vehicle without a proper Operator's or Chauffeur's license, or without the proper head and tail lights as specified by the statutes of the State of West Virginia.

Supports of the

SEC. 4. It shall be unlawful for any person or persons to drive or operate any vehicle, motor driven or otherwise, upon any of the streets, alleys and highways of said town while intoxicated, or under the influence of intoxicating liquors, drugs or narcotics.

SEC. 5. It shall be unlawful for any person or persons to operate any vehicle, motor driven or otherwise, upon any of the streets or alleys of said town at a greater speed than fifteen miles per hour, except on the State Highway leading through the town, the speed limit shall be the same as required by the signs placed or posted by the State Road Commission of the State of West Virginia.

SEC. 6. All motor vehicles passing through the town, desiring to park along the State highway shall park on the right hand side of said highway, and clear of the hard surface. And all motor vehicles traveling on the streets and alleys of said town, approaching or leaving the said highway, and desiring to park, shall park on the right hand side thereof. It shall be unlawful to park in any other manner than as above specified.

SEC. 7. It shall be unlawful for any person or persons to operate any automobile or other motor driven vehicle, wishing to pass another such vehicle going in the same direction, to drive at a greater speed than is specified in section five of this ordinance in passing the same.

SEC. 8. It shall be unlawful for any person or persons operating any automobile or other motor driven vehicle to race or drive in a reckless way on any of the streets, alleys or highways through the said town.

SEC. 9. If any person or persons commit any of these offenses prohibited or enumerated in this ordinance, he or she shall upon conviction thereof, for each offense pay a fine of not less than one nor more than

twenty-five dollars; the penalty for a violation of sections three, five and six of this ordinance shall be one dollar and costs; of sections one, two and seven of this ordinance shall be five dollars and costs; of sections four and eight of this ordinance shall be not less than ten nor more than twenty-five dollars and costs.

CHAPTER IX

ASSESSMENT, TAXES AND LICENSES

SECTION

1. Appointment of Assessor.
2. Duties of Assessor.
3. Dog Tax.
4. Tax Books.
5. Collection of taxes.
6. Dogs not assessed.
7. Delinquent lands.
8. Sale delinquent lands.
9. Town license required.
10. Violation without license.
11. No license required.
12. License issued in writing.
13. License revoked.
14. Houses public nuisance.
15. Sergeant's report on license.
16. License fees.

SEC. 1. An Assessor may be annually appointed by the Council at the first meeting thereof in July, or as soon thereafter as practicable.

SEC. 2. It shall be the duty of the Assessor to make an assessment of the property within the town substantially in the manner and form in which assessments are made by the Assessor of the county and return the same to the Council on or before the 30th day of June in each year and for this purpose he shall have all the power

conferred by law on county assessors. He shall list the number of dogs in the town and the names of the persons owning the same, which list shall be returned to the Council.

SEC. 3. There may be levied, in addition to the necessary levy on personal and real property, an annual tax of one dollar on each male dog and three dollars on each female dog. The owner, harborer, or head of the family, shall pay the taxes on any dog owned, harbored, or kept by any member of the family. A dog for whom no owner can be found, or from whom, if the owner be found. the taxes cannot be collected, shall be put to death by the Sergeant. For putting a dog to death and removing its body, as required by this ordinance, such officers shall receive a compensation of fifty cents.

SEC. 4. When the property books, with levy extended have been returned by the Assessor, and examined and found correct by the Council, they shall be turned over to the Sergeant for collection, and he shall receipt therefor and be charged therewith.

SEC. 5. The Sergeant shall immediately proceed to collect the taxes, and after one month from the time he receives the books, he may distrain and sell therefor in like manner as the officer collecting the State taxes may distrain therefor, and he shall in all other respect have the same power to enforce the payment and collection thereof. All sales under tax levies, or under executions issued by the Mayor, shall be in the manner prescribed by law for sales under executions issued by justices. The Sergeant shall be required to pay interest on all taxes not collected and accounted for by him prior to the first day of January next following the date when the same came into his hands for collection.

SEC. 6. If the Sergeant finds any dog within the year, owned or harbored by any one within the town, and

not included in the levy, he shall cause the owner or harborer thereof to pay the same taxes on such dog as if it had been duly assessed.

SEC. 7. The Sergeant shall, on or before the first day of July in each year, return to the Council two separate lists, one of personal property and the other of real estate, delinquent for the non-payment of taxes, verified by his affidavit of his inability to collect the same after the exercise of due diligence. If the Council be satisfied of the correctness of said lists, the Sergeant shall receive credit for the same in his settlement. Additional delinquent lists for any year may be returned by permission of the Council, if the Sergeant shall show to their satisfaction that he has faithfully endeavored to collect the taxes therein included, and has failed to do so from no fault or negligence on his part.

SEC. 8. The delinquent list of lands and lots shall be recorded by the Recorder in a book to be kept for that purpose. And the Council, annually, on or before the first day of August, shall certify to the Auditor of the State, a copy of the delinquent list of lands and lots, that the same may be sold in the manner provided by law for the sale of real estate, returned delinquent for the non-payment of State and county taxes.

SEC. 9. No person shall without a license therefor, carry on in the business of druggist, or keep for public use or resort, a bowling alley, shooting gallery, billiard table or pool table, bagatelle table or any table of a like kind, exhibit any circus, menagerie, theatrical performance, or public show to which admission is obtained for money or other reward, or act as hawker or peddler, or act as auctioneer, or practice the business of stock, or other broker by buying or selling for others, stocks, securities or other property, for a commission or reward, or practice the business of a money broker or private

banker by buying or selling uncurrent or depreciated money or funds, or exchanging one kind of money or funds for another for reward or profit. Nor shall any person without a corporation license therefor, sell, barter or offer or expose for sale or barter, any patent right. Nor shall any traveling agent, canvasser or salesman sell, or contract to sell any lightning rod, without a corporation license therefor.

SEC. 10. Any person violating either of the two preceding sections shall, except when it is otherwise provided herein, for every such offense, forfeit and pay a fine of not less than ten, nor more than fifty dollars, and may, at the discretion of the Mayor, be confined in the county jail not exceeding thirty days.

SEC. 11. This ordinance shall not be construed to require any incorporated bank, savings bank, or savings institution to obtain license as a broker or private banker, or to require any resident of this State to obtain license to exhibit any work or production of his own invention or skill, or to require license for any school exhibition or entertainment given solely for the benefit of any church or religious society, or for any other charitable purpose, for any literary or scientific lecture, or musical concert, or to affect any person furnishing refreshments, at any public dinner, fair, festival or celebration, or any trustee selling property, or any personal representative or committee selling property belonging to the estate under his charge, or any officer or commissioner selling property under the order, decree, execution or process of any court or justice of this State or of the United States, or colporteur, or person selling religious books, or to prohibit any druggist from selling without license, in good faith, spiritous liquors, wines or alcohol for medicinal, mechanical or scientific purposes; Provided, however, that no sale of any such spir-

itous liquors or wines shall be made by any druggist or registered pharmacist, except upon the written prescription of a practicing physician in good standing in his profession, and not of intemperate habits, specifying the name of the person and the quantity of such liquors to be furnished him; but no druggist or registered pharmacist, who is a practicing physician, shall by himself, or by his agent or clerk, sell any spiritous liquors upon his own prescription. And if any person interested in or carrying on the business of a druggist shall, in violation of this ordinance, sell any such intoxicating liquors, drinks, mixtures or preparations, he shall be deemed guilty of selling without license and be punished as provided in section three of this ordinance. In any prosecution against a person carrying on or interested in the business of a druggist, for selling any such liquors, drinks, mixtures or preparations, contrary to this ordinance, if the sale be proved, it shall be presumed that such sale was unlawful unless the contrary be shown. If any physician, for the purpose of aiding a druggist or other person, in the violation of the provisions of this ordinance or otherwise, give such prescription and make such statement, falsely, he shall be fined not less than ten dollars nor more than one hundred dollars.

Sec. 12. All licenses shall be in writing, signed by the Mayor and countersigned by the Recorder, and shall be issued only when authorized by the Council, and for the term of one year, or six months, unless as herein otherwise provided, and if a license be issued to carry on a business at a particular place, it shall designate the place or building, and a sale or business at any other place shall be deemed without license.

Sec. 13. Upon petition of five or more inhabitants of the town, ten days notice having been given to the person holding the license, the Council may for good

cause revoke any license to keep a bowling alley, shooting gallery, billiard table or table of like kind.

Sec. 14. The owner of any house or building, who knowingly permits intoxicating liquor to be sold or vended therein, and every person engaged in such unlawful sale in any such house or building, may be prosecuted for keeping and maintaining a common and public nuisance, and upon conviction thereof shall be fined not less than twenty nor more than fifty dollars, at the discretion of the Mayor, imprisoned in the county jail not less than ten or more than thirty days, and judgment shall be given that such house or building shall be abated or closed up as a place for the sale of such liquors contrary to this ordinance, as the Mayor may determine.

Sec. 15. It shall be the duty of the Sergeant to make out and report to the Council, annually, on or before the 30th day of June in each year, and from time to time thereafter, a classified list of all persons in the town from whom corporation license is required by this ordinance.

Sec. 16. The town tax on the licenses mentioned in this ordinance shall be as follows, ss:

Druggist.—On every license to carry on the business of druggist, five dollars.

Bowling Alleys, Shooting Gallery, Billiard Table, Etc.—On every license to keep a bowling alley, shooting gallery, billiard table, bagatelle table or table of like kind, for public use or resort, twenty-five dollars; but if more than one of either be kept in the same house by the same person, twenty-five for the first and fifteen dollars for each additional one.

Auctioneer.—On every license to act as auctioneer, two dollars and fifty cents, or one dollar per day, at the option of the applicant.

Stock Broker.—On every license to practice the

business of a stock broker by buying or selling for others, stocks, securities, or other property for a commission or reward, ten dollars.

Money Broker.—On every license to practice the business of money broker or private banker, by buying or selling uncurrent or depreciated money or funds, or exchanging one kind of money or funds for another for profit or reward, ten dollars.

Patent Rights.—On every license to barter or sell patent rights, ten dollars.

Lightning Rod Agent.—On every license for traveling agent, canvasser or salesman to sell lightning rods, ten dollars.

Peddler.—On every license to act as hawker or peddler, if the person licensed travel on foot without a horse, one dollar per day; if he travel with one or more horses with wagon or motor vehicle, two dollars and fifty cents per day.

Theatres.—On every license permitting a theatrical performance, one dollar per day or five dollars per week, at the option of the person applying for such license. On every building kept for rent or use of theatrical and other like purposes, ten dollars per year.

Circus.—On every license permitting a circus or menagerie, five dollars for each day.

Shows.—On every other show, not otherwise taxed, two dollars per day.

Provided, That nothing herein shall be construed to require license from colporteurs, or persons selling religious, literary or scientific works, or for any home, literary, dramatic or benevolent entertainment or school exhibition, or musical or literary concert.

CHAPTER X

SIDEWALKS AND PRIVIES

SECTION

1. Who to construct.
2. Material and dimensions.
3. When owner fails to construct.
4. Sergeant to report list.
5. Sidewalks to corporate limits.
6. Forfeit by officer for neglect of duty.
7. Distance of privies and stables from street.
8. Cess pools.
9. Fee for cleaning privies by order of Sergeant.
10. Nuisance on streets.

Sec. 1. All sidewalks in the town shall be kept in repair, free and clean, by the owners or occupiers of the adjacent property.

Sec. 2. All sidewalks shall be constructed on a grade, fixed by the order of the Council, and shall be constructed of concrete or brick, unless otherwise specially ordered by the Council, and shall be of an even, uniform surface, and shall be six feet wide, unless otherwise ordered by the Council. The Sergeant shall have authority to reject any sidewalk constructed or repaired by any owner or occupant of the adjacent property, where he shall deem such work to have been improperly performed, but such authority shall be subject to appeal to the Council.

Sec. 3. Whenever the owner or occupant of any lot or parcel of ground within the town shall fail to cause

the sidewalks upon that portion of any street or alley next adjacent thereto to be constructed as required by this ordinance, within ten days after notice in writing has been given by the Superintendent of roads, streets and alleys (and posting the notice at two conspicious places on the premises, shall be deemed sufficient notice when personal service cannot be had), it shall be the duty of such Superintendent, forthwith to cause the same to be constructed upon the most reasonable terms that can conveniently be had, and furnish to the owner or owners of such lot, or his, her or their agent, or the tenant of the premises, a statement of the cost of such sidewalk, and file with the Recorder a duplicate of such statement, and if the amount thereof be not paid within thirty days after the filing of such statement, it shall be the duty of the Recorder to add five per centum thereto to pay for collection, and deliver the same to the Sergeant, who shall proceed to collect the same from the party or parties liable therefor, in the manner provided for the collection of town taxes. The five per centum amount to be added to such statement shall be for the payment of the Sergeant for making said collection, shall be paid by the party from whom the collection is made, and in no event shall be paid out of the town treasury.

Sec. 4. It shall be the duty of the Sergeant, from time to time, to furnish to the Council a complete list of all persons liable under this ordinance to construct or repair any sidewalk adjacent to any lot or premises owned or occupied by such persons. Upon presentation of said list, the Council, if they see fit, may appoint a street committee, whose duty it shall be to make personal examination of the sidewalks and places designated in said list, and report thereupon to the Council, or they may at once direct the said Sergeant to give to any of the persons mentioned in said list the notice required in the third

section of this ordinance. But said Sergeant shall have no authority without the express orders of the Council to order the construction of new sidewalks at any place where no sidewalk has previously been laid.

Sec. 5. No sidewalks shall be ordered constructed beyond the dwellings, along the streets. alleys and highways toward the corporate limits of said town.

Sec. 6. If any officer fail to perform the duties imposed upon him by this ordinance, he shall forfeit for every such failure a sum not exceeding five dollars.

Sec. 7. No person shall permit his or her privy, water-closet, hog-pen, pig-sty, stable or other out-house to become foul or filthy, or produce an unhealthy smell or odor, or become a nuisance; but every owner or person having control of such privy, water-closet, hog-pen, pig-sty, stable or other out house shall at all times keep the same properly cleaned and disinfected. Nor shall any privy, water-closet, hog-pen or pig-sty be erected, constructed or maintained within ten feet of any street within the town. Any person violating any of the provisions of this section shall, upon conviction thereof, be adjudged to pay a fine of not less than five nor more than ten dollars, for each offense. And after three days notice to the owner or occupant of the premises, the Sergeant shall proceed to clean and disinfect said privy, water-closet, hog-pen, pig-sty or other out-house, or remove the same to a proper distance from the street as the case may be, the cost of said work to be collected from the owner or occupant of the premises in the same manner in which corporation taxes are collected.

Sec. 8. This ordinance shall apply to cess-pools, and other like nuisances and the same regulations that apply to section seven, shall also apply to them.

Sec. 9. The Sergeant shall keep an accurate list of all persons charged with work done under this ordinance,

together with an itemized account of the amount due from each person, and report the same to the Recorder, who shall enter the same of record upon the journal of the Council, and issue tax tickets against such persons for the amount due from each for said work, and place the same in the hands of the Sergeant for collection.

SEC. 10. It shall be unlawful for any person to deposit human excrement, taken from privies, in any street, alley, public place, road, lot, field or stream within the corporate limits of the town; or to commit any nuisance upon any street or alley, or upon the premises of another. Any person violating any of the provisions of this section shall, upon conviction thereof, be adjudged to pay a fine of not exceeding twenty dollars, or be imprisoned in the county jail for a period not exceeding thirty days, or both, at the discretion of the Mayor.

CHAPTER XI

METES AND BOUNDS OF THE TOWN OF BEVERLY AND NAMES OF STREETS

The corporate limits of the town of Beverly by metes and bounds are as follows, ss:—

Beginning at the corner between lands situated adjacent to and east of said town, and owned by the heirs of the late Fountain Butcher, and lands on the east side thereof owned by Amanda E. Butcher, on a line of lands owned by D. R. Baker, and running thence N. 12½ degrees, E. 76 poles, with a line between the said Fountain Butcher's heirs and Amanda E. Butcher, to the Files' Creek road; thence N. 88½ degrees, W. 22 1/3 poles, with the south side of said road to a stake on the eastern line extended of the George Henry lot now owned by S. A. Rowan; thence to the south-eastern corner of said Henry lot, and with the eastern line thereof, and through a field of said Amanda E. Butcher's, so as to include about two acres thereof, N. 12½ degrees, E. 59 poles, to a line between her and a lot of land owned by Anna A. Goff; thence with the said last mentioned line N. 46½ degrees, E. 27 poles, to the north-east corner of said Goff lot, on a line on the southern line of P. Collett's land; thence through said Collett's lands, passing a small white-oak, and then a small sycamore on the western spur of Mt. Isner, in said Collett's lands, to the line between him and the lands owned by Mrs. Louisa Collett, and through her

said lands into and through lands owned by P. B. Buckey, passing about one rod west of a white-walnut tree near Dotson run, N. 37 degrees, E. 114 poles, to the northern line of said Buckey's land; thence with the northern boundary of said Buckey's land to the Tygart's Valley River; thence with the meanders thereof, to the northern boundary of lands owned by R. D. Baker, near the mouth of Files' Creek; thence up said Creek with the said northern boundary of said R. D. Baker's land to the beginning.

Names of Streets and Avenues

NORTH AND SOUTH STREETS

Main Street.—That portion of the Staunton and Parkersburg turnpike, passing through the town of Beverly, from the footbridge across Files' Creek, to A. D. Barlow's store building, together with that portion of the Beverly and Fairmont turnpike within the corporate limits of said town, from said store building past the Valley House of Alpheus Buckey and Mrs. Louisa Collett's residence, to Dotson Run, shall be called and known as Main Street.

Walnut Street.—That street running from Fountain street, near its junction with Main street, past the county jail and Clay Fitzwater's blacksmith shop to the junction of said street with Collett street, shall be called and known as Walnut street.

Water Street.—The street running from Court street at Talbott's law office, past the residence of A. C. Rowan, and the residence of W. H. Wilson, to the foot of Collett street, shall be called and known as Water street.

Railroad Street.—The street from the late J. M. Ball's residence, along the Western Maryland Railway track to and past its depot to an intersection with Crawford street at the Old Alliance Store lot, shall be called and known as Railroad street.

EAST AND WEST STREETS

Collett Street.—The street running from the terminus of Water street near W. H. Wilson's residence, and crossing Main street at A. J. Collett's Hotel, to the foot of Walnut street, shall be called and known as Collett street.

Bridge Street.—The street running from the bridge across the Tygart's Valley River on the Staunton and Parkersburg turnpike, past Barlow's store building and the Masonic Temple to Walnut street, shall be called and known as Bridge street.

Court Street.—The street running from the Tygart's Valley River, between S. N. Bosworth's store and L. D. Strader's law office, past the old court house to and past the new court house, shall be called and known as Court street.

Crawford Street.—The street running from Main street at K. B. Crawford's residence, to the Alliance store building, owned by W. D. Armstrong, shall be called and known as Crawford street.

Fountain Street.—The street running from Main street near Dr. George W. Yokum's residence, between and past the residences of J. L. Wamsley and P. C. Daniels, shall be called and known as Fountain street.

WEST AVENUES

Park Avenue.—The avenue running from Main street between the late W. H. Woodley and the late Henry Suiter lots back to the lands of the late Parkinson Collett, shall be called and known as Park avenue.

Livingston Avenue.—The avenue running across the railroad from Railroad street, between the L. O. England Planing Mill lot, and the lot of the late George W. Leonard, to the line of the lands of James B. Baker, shall be called and known as Livingston avenue.

MAYOR'S PROCLAMATION

To the People of the Town of Beverly and All Others in Interest:

I, M. B. Rohrbough, Mayor of the Town of Beverly, by virtue of authority vested in me by the Council thereof, do hereby publish, proclaim and declare the foregoing ordinances to be in full force and effect, for the government, protection and preservation of all persons, property and rights made subject to the jurisdiction of said Town by the laws of the State of West Virginia.

Given under my hand this, the 2nd day of June, 1930.

M. B. Rohrbough,
Mayor.

Attest:

David Wamsley,
Recorder.

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Property of the
Beverly Town
Drawer 279
Beverly. WV 2
Ph- 636-536

TOWN OF BEVERLY

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the Town of Beverly does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the Recorder at the front door or bulletin board of the Town Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Recorder not less than 3 business days before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the Recorder at the front door or bulletin board of the Town Hall not less than two business days before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 14 day of May, 2012.

Mayor

Barbara Smith
Recorder

Town of Beverly Corporation
(Chartered 1790)
PO Drawer 279, Walnut St.
Beverly, West Virginia
26253

Oath of Office and Certification

State of West Virginia

County of Randolph: To-Wit:

I, David T. Harper do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as a Mayor of the Town of Beverly, to the best of my skill and judgment, SO HELP ME GOD.

Signature

I, Kathaleen D. Weese, A Notary Public in and for the County and State aforesaid, do hereby certify that David T. Harper, swore to the above outline oath and signed the foregoing instrument, and bearing the date of 30th day of June, 2011.

Kathaleen D. Weese
Notary Public

Dec. 23 2014
Commission expires

Town of Beverly Corporation
(Chartered 1790)
PO Drawer 279, Walnut St.
Beverly, West Virginia
26253

Oath of Office and Certification

State of West Virginia

County of Randolph: To-Wit:

I, Barbara Smith do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as a Recorder of the Town of Beverly, to the best of my skill and judgment, SO HELP ME GOD.

Barbara Smith
Signature

I, Kathaleen D Weese, A Notary Public in and for the County and State aforesaid, do hereby certify that Barbara Smith, swore to the above outline oath and signed the foregoing instrument, and bearing the date of the 30th day of June, 2011.

Kathaleen D. Weese
Notary Public

Dec. 23, 2014
Commission expires

Town of Beverly Corporation
(Chartered 1790)
Beverly, West Virginia
26253

Oath of Office and Certification

State of West Virginia

County of Randolph: To-Wit:

I, Jay L. Gillespie do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Council Member for The Town Of Beverly, to the best of my skill and judgment, SO HELP ME GOD.

Jay L. Gillespie
Signature

I, Kathaleen D. Weese, A Notary Public in and for the County and State aforesaid, do hereby certify that Jay Gillespie, swore to the above outline oath and signed the foregoing instrument, and bearing the date of the 11th day of July, 2011.

Kathaleen D. Weese
Notary Public

Dec. 23, 2014
Commission expires

Town of Beverly Corporation
(Chartered 1790)
Beverly, West Virginia
26253

Oath of Office and Certification

State of West Virginia

County of Randolph: To-Wit:

I, Catherine (Katie) Whittaker do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Council Member for The Town Of Beverly, to the best of my skill and judgment, SO HELP ME GOD.

Catherine (Katie) Whittaker
Signature

I, Kathaleen D. Weese, A Notary Public in and for the County and State aforesaid, do hereby certify that Catherine Whittaker, swore to the above outline oath and signed the foregoing instrument, and bearing the date of the 11th day of July, 2011.

Kathaleen D. Weese
Notary Public

Dec. 23 2014
Commission expires

Town of Beverly Corporation
(Chartered 1790)
Beverly, West Virginia
26253

Oath of Office and Certification

State of West Virginia

County of Randolph: To-Wit:

I, Rodney Cooper do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Council Member for The Town Of Beverly, to the best of my skill and judgment, SO HELP ME GOD.

Rodney Cooper
Signature

I, Kathaleen D. Weese, A Notary Public in and for the County and State aforesaid, do hereby certify that Rodney Cooper, swore to the above outline oath and signed the foregoing instrument, and bearing the date of the 8th day of Aug., 2011.

Kathaleen D. Weese
Notary Public

Dec. 23 2014
Commission expires

Town of Beverly Corporation
(Chartered 1790)
Beverly, West Virginia
26253

Oath of Office and Certification

State of West Virginia

County of Randolph: To-Wit:

I, Connie M. Pingley do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Council Member for The Town Of Beverly, to the best of my skill and judgment, SO HELP ME GOD.

Connie M. Pingley
Signature

I, Kathaleen D. Weese, A Notary Public in and for the County and State aforesaid, do hereby certify that Connie Pingley, swore to the above outline oath and signed the foregoing instrument, and bearing the date of the 11th day of July, 2011.

Kathaleen D. Weese
Notary Public

Dec. 23, 2014
Commission expires

Town of Beverly Corporation
(Chartered 1790)
Beverly, West Virginia
26253

Oath of Office and Certification

State of West Virginia

County of Randolph: To-Wit:

I, Tena Pritt do solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Council Member for The Town Of Beverly, to the best of my skill and judgment, SO HELP ME GOD.

Tena Pritt
Signature

I, Kathaleen D. Weese, A Notary Public in and for the County and State aforesaid, do hereby certify that Tena Pritt, swore to the above outline oath and signed the foregoing instrument, and bearing the date of the 11th day of July, 2011.

Kathaleen D. Weese
Notary Public

Dec. 23 2014
Commission expires

THE TOWN OF BEVERLY

AN ORDINANCE ESTABLISHING A SCHEDULE OF JUST AND EQUITABLE RATES, CHARGES, PENALTIES AND RULES AND REGULATIONS FOR THE USE OF AND SERVICES RENDERED BY THE BEVERLY UTILITIES DEPARTMENT OF THE TOWN OF BEVERLY. THE PURPOSE AND EFFECT OF THIS ORDINANCE AS HERINAFTER STATED

WHEREAS, the Town of Beverly is a municipal corporation and produces and supplies water and water services to residents of the Town of Beverly and others for the general , domestic, commercial, industrial and wholesale purposes;

WHEREAS, the Town Council of the Town of Beverly has determined that a rate increase for water services provided by the Town of Beverly is necessary in order to provide sufficient revenue to meet present operating expenses, construction and maintenance expenses, and debt service coverage as provided by ordinances of this Council; and

WHEREAS, the Town Council of the Town of Beverly has determined that the following rates and charges are necessary to provide such revenue.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BEVERLY, RANDOLPH COUNTY, WEST VIRGINIA, THAT THE FOLLOWING SCHEDULES OF RATES, CHARGES, PENALTIES AND RULES AND REGULATIONS ARE HERBY ADOPTED FOR ALL WATER SERVICE PROVIDED BY THE BEVERLY UILITIES DEPARTMENT, THE TOWN OF BEVERLY, RANDOLPH COUNTY. WEST VIRGINIA: STARTING UPON SUBSTANTIAL COMPLETION OF THE PLANNED WATER PROJECT THIS ORDINANCE WILL SUPERSEDE ALL PREVIOUS ORDINANCES FOR SETTING RATES, CHARGES AND PENALTIES FOR THE TOWN OF BEVERLY UTILITIES DEPARTMENT WATER SERVICE. THE TOWN COUNCIL WILL CONSIDER THIS ORDINANCE AND VOTE ON ITS PASSAGE AT ITS REGULARLY SCHEDULED MEETING ON JULY 12, 2010 AT THE BEVERLY TOWN HALL AT 6:30 PM INTERESTED PARTIES MAY APPEAR AND BE HEARD.

THE FOREGOING RATE ORDINANCE HAS BEEN INTRODUCED AT A MEETING OF THE TOWN COUNCIL HELD ON JUNE 14, 2010. THE FINAL READING AND ADOPTION VOTE WILL BE HELD ON JULY 12, 2010 AT 6:30 PM.

DATED: JUNE 14, 2010

Barbara Smith
RECORDER

MAYOR

RECEIVED
10 JUL 19 AM 8:45
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

THOSE FAVORING ADOPTION AT THE FIRST & SECOND READING:

Tena Pritt
Georgie Menis
Anita Judy
Rob Cooper

THOSE OPPOSING ADOPTION AT THE FIRST & SECOND READING

Barbara Smith
RECORDER

MAYOR

THOSE FAVORING ADOPTION AT THE THIRD READING

Tena Pritt
Georgie Menis
Katie Whitaker
Anita Judy

THOSE OPPOSING ADOPTION AT THE THIRD READING

Barbara Smith
RECORDER

MAYOR

Beverly Utilities Department
Beverly, West Virginia
(Water Rate 1 and 2)

RULES AND REGULATIONS

1.) **Rules and Regulations for the Government of water Utilities,** adopted by the Public Service Commission of West Virginia, are in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

BEVERLY UTILITIES
BEVERLY, WEST VIRGINIA
Tariff

(Water Rate 1)

Final Phase- Effective date: Upon substantial completion of project.

Applicability:

Applicable within the entire territory served, with the exception of the area of King's Run Road, Edgewood Estates, located on Dodson Run Road, and Scott's Lake Road.

Availability:

Available for general domestic, commercial, industrial and sale for resale water service.

METERED RATES

0 to 2000 gallons per month	$7.13 per thousand gallons
2001 to 5000 gallons per month	$6.54 per thousand gallons
5001 to 25000 gallons per month	$5.96 per thousand gallons
25001 to 50000 gallons per month	$5.46 per thousand gallons
50001 to 100000 gallons per month	$4.99 per thousand gallons
Over 100000 gallons per month	$4.61 per thousand gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts based on meter size.

¾ inch meter	$14.26	2000 gallons
5/8 inch meter	$14.26	2000 gallons
1 inch meter	$39.84	6000 gallons
1 ½ inch meter	$123.28	20000 gallons
2 inch meter	$207.68	35000 gallons
3 inch meter	$262.28	45000 gallons
4 inch meter	$364.43	65000 gallons
6 inch meter	$746.53	145000 gallons
8 inch meter	$1276.68	260000 gallons
12 inch meter	$2774.93	585000 gallons

(Water Rate 2)

Final Phase- Effective date: Upon substantial completion of project

Applicability:

Applicable within the entire area of King's Run Road, Edgewood Estates, located on Dodson Run Road, and Scott's Lake Road.

Availability:

Available for general domestic, commercial, industrial, and sale for resale water service.

METERED RATES

0 to 3000 gallons per month	$8.58 per thousand gallons
3001 to 6000 gallons per month	$7.71 per thousand gallons
6001 to 10000 gallons per month	$6.84 per thousand gallons
10001 to 20000 gallons per month	$6.00 per thousand gallons
Over 20000 gallons per month	$5.13 per thousand gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts based on meter size.

¾ inch meter	$25.74	3000 gallons
5/8 inch meter	$25.74	3000 gallons
1 inch meter	$57.03	8000 gallons
1 ½ inch meter	$136.23	20000 gallons
2 inch meter	$213.18	35000 gallons
3 inch meter	$264.48	45000 gallons
4 inch meter	$367.08	65000 gallons
6 inch meter	$777.48	145000 gallons
8 inch meter	$1367.43	260000 gallons
12 inch meter	$3034.68	585000 gallons

Note: Sales for Resale is to be used when one water utility is selling water to another water utility for resale.

All water for Resale to the Huttonsville Public Service District will be billed in accordance to the approved rate of $1.69 per 1,000 gallons.

Note: Bulk Rate is to be used when a water utility is selling a large amount of water to a customer for its own use.

All water for bulk purchase will be billed at the approved rate of $1.69 per 1,000 gallons.

PRIVATE FIRE PROTECTION SERVICE

Where connections, hydrants, sprinklers, etc on private property are maintained by the consumer:

	Monthly	Yearly
1 inch service line with hydrants, sprinklers and Or hose connection…	$9.95	$119.40
3 inch service line with hydrants, sprinklers and Or hose connection…	$22.59	$271.08
4 inch service line with hydrants, sprinklers and Or hose connection…	$39.68	$476.16
6 inch service line with hydrants, sprinklers and Or hose connection…	$100.56	$1206.72
8 inch service line with hydrants, sprinklers and Or hose connection…	$164.92	$1979.04
10 inch service line with hydrants, sprinklers and Or hose connection…	$292.57	$3510.84
12 inch service line with hydrants, sprinklers and Or hose connection…	$409.97	$4919.64

These terms are payable monthly in advance

OTHER SERVICES AND CHARGES

Returned check charge

A service charge equal to the actual bank fee assessed to the Town or a minimum of $15.00 will be imposed upon any customer whose check for payment of charges is returned by their bank as a result of nonpayment.

Delayed Payment Penalty

The preceding schedule of charges is net. All accounts not paid in full when due will have added to the net amount shown on the bill a delayed payment penalty of 10%. This is not interest and is to be collected only once for each bill where it is appropriate.

Service Connection (Tap) Fees Payable in Advance

½", 5/8", & ¾" meter	$600.00

All meters 1" and over.	Actual cost based on time & materials.

Reconnection fee

Where service has been disconnected for Nonpayment, violation of rules and regulations By the customer, or at customer's request	$25.00

Leak Adjustment rate

$1.29 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed and documented as an eligible leak on the customer's side of the meter. This rate shall be applied to all consumption for one billing cycle that is above the customer's historical six months average.

Fire hydrant Rental

Fire hydrant rental	$200.00 per year in advance

This fee is applicable to private or commercial properties only. The Town of Beverly and The Beverly Volunteer Fire Department fire hydrants will be exempt.

Security Deposit

Not to exceed one twelfth (1/12) of the annual estimated charge for residential service or one sixth (1/6) of the estimated charge for commercial service or $50.00, whichever is greater.

Other

Open and close water service at customer's request during working hours.	$15.00
Open water service at customer's request not during working hours.	$25.00
Perform meter accuracy test at customer's request.	$35.00
Other services at the request of the customer for his benefit, charges will be made for time and materials used with a minimum charge of	$15.00

PRC

State of West Virginia, County of Randolph, ss.

NOTICE

TOWN OF BEVERLY

Notice is hereby given that the Town of Beverly, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the increase of water rates for customers of the water system operated by the Town of Beverly.

The title of such ordinance is "An Ordinance establishing a schedule of just and equitable rates, charges, penalties and rules and regulations for the use of and services rendered by the Beverly Utilities department of the Town of Beverly". The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the Town of Beverly Town Hall, Beverly, West Virginia

on

July 12, 2010, at six-thirty (6:30) p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available at the Beverly Town Hall and will also be posted at the Beverly Town Hall.

7-5

I, Donald W. Smith, General Manager of THE INTER-MOUNTAIN, a newspaper published at Elkins, in said county, do hereby certify that the annexed advertisement was published on the following dates:

July 5 _____ _____ _____

20 10 as required by law.

Given under my hand this 5th day of July 20, 10

Donald W. Smith

General Manager

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LISA A. JONES
RR 3, BOX 62
PARSONS, WV 26287
My commission expires March 15, 2017

Printer's Fee: $ 31.48

Subscribed and sworn to before me this 5th day of July, 20, 10

Lisa A. Jones

Notary Public

My Commission Expires the 15th day of March, 20, 17

RECEIVED
10 JUL 19 AM 8:32
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

post

State of West Virginia, County of Randolph, ss.

I, Donald W. Smith, General Manager of THE INTER-MOUNTAIN, a newspaper published at Elkins, in said county, do hereby certify that the annexed advertisement was published on the following dates:

July 15 July 22 _____ _____

20 10 as required by law.

Given under my hand this 22nd day of July 20, 10

Donald Smith

General Manager

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LISA A. JONES
RR 3, BOX 62
PARSONS, WV 26287
My commission expires March 15, 2017

Printer's Fee: $ 191.16

Subscribed and sworn to before me this 22nd day of July, 20, 10

Lisa A Jones

Notary Public

My Commission Expires the 15th day of March, 20, 17

LEGAL ADVERTISEMENT

Tariff Form No. 12
(Tariff Rule 44)

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the Town of Beverly has adopted by ordinance on July 12, 2010 a tariff containing increased rates, tolls and charges for furnishing water service to one thousand and fifty-nine (1,059) customers of The Beverly Municipal Water Department in the County of Randolph.

The proposed increased rates and charges will become effective upon substantial completion of the water project unless otherwise ordered by the Public Service Commission and will produce approximately $89,000.00 annually of additional revenue, an increase of 26% for rate No. 1 customers only. The average monthly bill for the various classes of customers will be changed as follows:

	WATER RATE NO. 1		WATER RATE NO. 2	
	($) INCREASE	(%) INCREASE	($) INCREASE	(%) INCREASE
Residential	$ 5.64	26 %	$ 0	0 %
Commercial	$ 5.64	26 %	$ 0	0 %
Industrial	$ 5.64	26 %	$ 0	0 %
Government	$ 5.64	26 %	$ 0	0 %
Resale	$ 5.64	0 %	$ 0	0 %

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information required concerning it, is available to all customers, prospective customers, or their agents at any of the following offices of the utility:

Beverly Town Hall - during normal business hours, from 8 a.m. until 4 p.m., Monday through Friday.

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

7-15, 22

The old Pritt property, recently purchased by the Randolph County Board of Education, will soon be torn down.

Deb Ferrell reported she has been mowing her grass. And when questioned about the pile of wood, etc on the side of the property facing the main street, she said it was her burning pile and they had burnt and made smore's twice there recently.

1ST AND 2ND READING - WATER RATE INCREASE ORDINANCE
A motion was made by Mrs. Pritt to accept and 1st and 2nd reading of the Water Rate increase ordinance. Motion seconded by Mrs. Judy with all in favor.

BEVERLY HERITAGE DAYS GUN SALUTE JULY 23 & 24
A motion was made by Mr. Cooper to allow Historic Beverly Preservation usage of the Town Square July 23 & 24 as well as a military skirmish behind the Beverly Fire Hall. Motion seconded by Mrs. Judy with all in favor.

OFFICE OF EMERGENCY SERVICES
The request for information from the Office of Emergency Services was tabled because we were not informed of what information was requested.

TOWN EMPLOYEES TO PUT UP BANNERS
A motion was made by Mrs. Judy to allow town workers to put up banners for the Women's Club two days a year. Motion seconded by Mr. Cooper with all in favor.

PERSONNEL BOARD APPOINTEE
A motion was made by Mr. Cooper to appoint Tena Pritt to the personal board. Motion seconded by Ms. Judy with all in favor.

A personal board meeting is scheduled for 6:30 p.m. on June 24, 2010. All utility board members as well and Mrs. Pritt and Mrs. Menis are on this board.

UPDATES
The town clerk will be instructed to send a letter to Tygart Moulding about empty paint cans laying on the property as well as grass maintenance.

Mr. Maxwell told council the legislative passed a law June 10, 2010, regarding vacant property. It will allow the town to asset property that has been vacant. We will have to pass an ordinance, which Mr. Maxwell will start work on. It will create exemptions (property for sale, remodel, being built, etc.) and exemptions can be made on a case to case basic.

Council members will meet at ~~5:30~~ 6:00, July ~~12~~ 8, at the Beverly Landmarks complex for walk

though of their new building.

Business license approval for 2010-2011 was tabled till the July meeting because all applications were not in yet. Mr. Pritt will inspect businesses to see if they are up to code.

Motion made to adjourn by Mr. Cooper, seconded by Mrs. Pritt. Meeting adjourned at 9:35 p.m.

MAYOR: DAVID T. HARPER

RECORDER: BARBARA SMITH

TOWN OF BEVERLY
TOWN OF BEVERLY: TO WIT

The regular monthly meeting of the Beverly Town Council was held Monday, July 12, 2010, at 6:30 p.m. in council chambers of the Beverly Town Hall. Mayor David Harper called the meeting to order in the presence of Recorder, Barbara Smith and council members, Tena Pritt, Georgie Menis, Katie Whittaker, and Anita Judy. Rob Cooper was absent. Visitors included Earl Maxwell, Anita Shannon and Deanna Shepard.

Minutes for the June 14 2010, meeting was read and the following correction made: the Personal Board met July 8, 2010, not July 12, 2010 at 6:00 p.m. Minutes approved. A phone conversation between Mayor Harper and all council members except Ms. Judy was read regarding approval of business licenses for July 2010-2011. Conversation approved.

3RD AND FINAL READING - WATER RATE INCREASE ORDINANCE
A motion was made by Ms. Judy to accept the 3rd and final reading of the Water Rate Increase Ordinance. Motion seconded by Mrs. Menis with all in favor.

FINAL READING TO ADOPT FEMA FLOOD PLAIN ORDINANCE
A motion was made by Mrs. Pritt to accept the final reading to adopt FEMA Flood Plain Ordinance. Motion seconded by Mrs. Whittaker with all in favor.

PROPERTY MAINTENANCE VIOLATIONS
Mayor Harper reported that Mr. Hinchman has removed the final car and another letter will be sent regarding the camping trailer. Other properties mentioned that need maintenance were Rick Bennett, fence line at Deb Ferrell's, house on Fountain Street, the property (unlicensed car and grass line) beside Cliff Pritt, the turn in south end of town, in front of blue house south end of town, behind the Butcher apartment, Curly Ray's pile of house materials, Steve Kimble, Kim Ellison, behind the old jail, Tim Lindsay vehicles and grass, and across street at Brad Reeds, six cars unlicensed.

BUSINESS LICENSE APPROVAL 2010-2011
Motion made to accept the following business licenses for 2010-2011 Talbot's - Valentines Assisted Living, Professional Sharpening, Citizen's Bank of WV, Battlefield Bakery and Café, Ashley Jo's, Rigz Tattoo Shop, Gerry Gibson WETV, and Gary Strahin Apartments by Mrs. Pritt and seconded by Ms. Judy, all in favor.

BUDGET REVISION FOR FISCAL YEAR 2010-2011
A motion was made to accept a budget revision for fiscal year 2010-2011 by $9,521 in the general fund and $361 in the coal severance fund by Mrs. Pritt. Motion seconded by Mrs. Menis, with all in favor.

BEVERLY VOLUNTEER FIRE DEPARTMENT DONATION FOR BEVERLY DAYS
A motion was made by Mrs. Whittaker to give the Beverly Fire Department $2500.00 for fire works for the Beverly Fireman's Festival. Motion seconded by Mrs. Pritt, with all in favor.

Members of council view the newly finished Heritage Center and found the tour very informative. A bid should go out at the end of July for sidewalks around the center.

Discussion followed regarding zoning for a historical district, sidewalks and other issues regarding the town's future. Also discussed were the issues of vacant buildings, ordinance changes regarding business licenses and zoning.

Motion made to adjourn at 8:45 pm by Mrs. Whittaker and seconded by Mrs. Pritt. Meeting adjourned.

MAYOR: DAVID T. HARPER

RECORDER: BARBARA SMITH

State of West Virginia, County of Randolph, ss.

I, Heather Henline, General Manager of THE INTER-MOUNTAIN, a newspaper published at Elkins, in said county, do hereby certify that the annexed advertisement was published on the following dates:

7/30 8/6 _____ _____

20 12 as required by law.

Given under my hand this 21st day of Aug 20, 12

Heather Henline

General Manager

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
HEATHER E. IAMURRI
RT. 1 BOX 40B
LEADING CREEK ROAD
MONTROSE, WV 26283
My commission expires May 19, 2015

Printer's Fee: $135.62

Subscribed and sworn to before me this 21st day of August, 20,12

Heather Iamurri

Notary Public

My Commission Expires the 19th day of May, 20,15

NOTICE OF PUBLIC HEARING ON THE TOWN OF BEVERLY BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of The Town of Beverly (the "Town") to be held on Monday, August 13, 2012, at 6:30 pm at The Town of Beverly, Town Hall, Beverly, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF BEVERLY AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF BEVERLY OF NOT MORE THAN $3,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM); AND NOT MORE THAN $500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM) PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from Gross Revenues to be derived from the ownership and operation of the system of the Town. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of The Town of Beverly on July 9, 2012. A certified copy of the above-entitled Ordinance is on file with the Town for review by interested parties during regular office hours.

Following the public hearing, the Town intends to enact the Ordinance upon final reading

Dated: July 23, 2012

/s/ David Harper
Mayor

7/30, 8/6

The regular monthly meeting of the Beverly Town Council was held Monday, June 11, 2012, at 6:30 p.m. in the council chambers of the Beverly Town Hall. The Mayor called the meeting to order in the presence of Recorder, Barbara Smith, and council members Tena Pritt, Connie Pingley, Katie Whittaker, Jay Gillispie and Rob Cooper. Visitors included Robert Dewitt, Bill Annon and Tom Aman from Steptoe and Johnson.

Tom Aman from Steptoe and Johnson reported to council an overview of the bond ordinance needed for the water project. Mr. Aman read the ordinance authorizing acquisition and construction of additions, betterments and improvements to the existing public waterworks system for the town and the financing of the cost. He explained the Town has to have Series 2012A bonds to cover the cost of $3,800,000 in principal and not more than $500,000 Series 2012B. He explained the second reading of the ordinance will be July 9th and a public hearing will be August 13th. There are several steps needed to secure the loan payment, steps used to start and proceed and finish the deal. Mr. Amam will return for the August 13th hearing to answer questions from the public. A motion was made by Mrs. Pritt to accept the first reading of the ordinance. Seconded by Mrs. ~~Daniels~~ Pingley with all in favor.

Mr. Bob Dewitt again gave his concerns regarding the sawdust coming from the Collin Tool Mill. Mayor Harper and the building inspector plan to drive down to the plant and look the situation over after the meeting tonight.

Minutes from the May 14, 2012, meeting were read and accepted after a correction was made regarding the cost of security cameras for the intakes from $10,000 to $5,000.

BUSINESS LICENSES

A motion was made to accept the following business applications by Mrs. Pritt: Walters Insurance and Financial Services, Bennett's Appraisal Services, Beverly Heritage Center, Butler Electronic Service, Campbell's Market, Ran Resources, INC, Tom Conley Plumbing, Blossom Village, LLC, Gingerbread House Day Care, Randolph County Historical Society, Campbell's Apartments, Lemuel Chenoweth House Antiques, Great West Casualty Company, Citizens Bank of WV, Bobbie's, Earl Maxwell, Ashley Jo's, Pat Weese Rentals, Collins Tool, Canaan Valley Gas Co.

Motion seconded by Mrs. Whitaker with all in favor.

BUILDING PERMIT FEE

A motion was made by Mrs. Pritt to adjust the cost of building permit fees as follows:

$10.00 thru $1000.00 cost $15.00
$10.00 for every $1000.00 thereafter

Motion seconded by Mr. Gillispie with all in favor.

HINCHMAN PROPERTY

The building inspector shared his report on the Lewis Hinchman property. The Town attorney sent a registered letter to Mr. Hinchman along with the ordinances being broken by the condition of the property. Mr. Annon is going to check on the deed of trust for the property. Legal action will be taken as soon as possible.

BILLS

A motion was made by Mr. Cooper to pay the utility bills for the Town, as well as Masterpiece Rentals $30.00, Busch, Zurhuch, Thompson, $128.00, P3 Group $1949.00, Bookmark $110.39. Motion seconded by Mrs.Whittaker with all in favor.

The Mayor reported bids are to go out Thursday for the water project. They will be awarded forty five days later, contractor starts work fifteen days later and the projected starting date for the project is sat for September.

Motion made to adjourn by Mrs. Pritt, seconded by Mr. Cooper. Meeting adjourned at 8:20 p.m.

MAYOR: DAVID T. HARPER

RECORDER: BARBARA SMITH

TOWN OF BEVERLY
TOWN OF BEVERLY: TO WIT

JULY 9, 2012
PAGE 1

The regular monthly meeting of the Beverly Town Council was held Monday, July 9, 2012, at 6:30 p.m. in the council chambers of the Beverly Town Hall. The Mayor called the meeting to order in the presence of Recorder, Barbara Smith, and council members Tena Pr, Connie Pingley, Jay Gillispie and Rob Cooper. Katie Whittaker was absent. Visitors included Robert Dewitt and Linda Peterson, Landmarks Commission.

Bob Dewitt asked council what had been done regarding the sawdust at Collins Tools. The Mayor said the building inspector had requested a letter to be sent to the mill asking their present at the council meeting. With the power outage due to the storm, this had not been done yet because Mr. Annon's power was still out and communication was down.

Minutes from the meeting of June 11, 2012 was read and approved.

SECOND AND FINAL READING OF THE BOND ORDINANCE
The second and final reading of the bond ordinance for the water project was read and a motion made by Mrs. Pritt to accept. Seconded by Mr. Gillispie with all in favor.

BUSINESS LICENSE
A motion was made by Mr. Cooper to accept the following business license: Cowger Auto, Talbott Personal Care, Beverly Marathon, Beverly Books and Antiques, Gadds Rental, Sweet Spot Dessert Shop. Seconded by Mrs. Pingley with all in favor.

RESOLUTION
A motion was made by Mrs. Pritt to accept a revision of the Levy estimate of the Town of Beverly, (see resolution page1 dated 7/9/2012). Motion seconded by Mr. Gillispie with all in favor.

BILLS:
A motion was made by Mrs. Pingley to pay the Utility bills and the following: Fastenal $18.45, Masterpiece $10.00, Central Supply $431.13, Regions VII $351.00, Builders Group $225.87, Comp checks $50.94, Central Supply $40.50, Superior Laundries $32.00 and Rich Mtn. Surveying $750.00.

The Mayor gave an update on the Hinchman and Reed properties, street signs and water project.

Motion made to adjourn by Mr. Cooper, second by Mr. Gillispie. Meeting adjourned at 7:50 pm.

Barbara Smith

MAYOR: DAVID T. HARPER

RECORDER: BARBARA SMITH

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

EXCERPT OF MINUTES ON ADOPTION OF BOND ORDINANCE, SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

The undersigned RECORDER of The Town of Beverly of hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Council:

*** *** ***

The Council of The Town of Beverly met in regular session, pursuant to notice duly posted, on the 13th day of August, 2012, in Randolph County, West Virginia, at the hour of 6:30 p.m.

PRESENT:
David Harper, Mayor
Barbara Smith, Recorder
Jay Gillespie, Councilmember
Katherine Whittaker, Councilmember
Rodney Cooper, Councilmember
Connie Pingley, Councilmember
Tena Pritt, Councilmember

ABSENT:
None.

David Harper, Mayor, presided, and Barbara Smith, acted as Recorder. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor stated that the proposed Bond Ordinance heretofore passed on first and second readings would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and a Notice of Hearing, which publication has been duly made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all persons desiring to

protest the said Bond Ordinance or to make any suggestions with reference thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and the Mayor caused the said Bond Ordinance to be read as follows:

> ORDINANCE AUTHORIZING ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF BEVERLY AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF BEVERLY OF NOT MORE THAN $3,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM); AND NOT MORE THAN $500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM) PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Jay Gillespie and seconded by Connie Pingley, it was unanimously ordered that the said Bond Ordinance be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor then presented a proposed Supplemental Resolution in writing entitled:

> SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), AND WATER REVENUE BONDS, SERIES 2012 B (WEST VIRGINIA DWTRF PROGRAM) OF THE TOWN OF BEVERLY; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY;

DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Katherine Whittaker and seconded by Connie Pingley, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Jay Gillespie and seconded by Katherine Whittaker, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Jay Gillespie and seconded by Connie Pingley, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of The Town of Beverly and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 29th day of August, 2012.

Barbara Smith

Recorder

07.19.12
074550.00003

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 29-Aug-12

ISSUE: The Town of Beverly
Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Progam)

ADDRESS: 1 Walnut Street, Beverly, West Virginia 26253 COUNTY: Randolph

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 29-Aug-12
CLOSING DATE: 29-Aug-12
ISSUE AMOUNT: $3,800,000
RATE: 1% Administrative Fee: 0% Interest
1ST DEBT SERVICE DUE: 1-Jun-14
1ST PRINCIPAL DUE 1-Jun-14
1ST DEBT SERVICE AMOUNT $31,667
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Citizen's Bank of West Virginia
Contact: Tena Pritt
Phone: 304.636.4095

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: David Harper
Position: Mayor
Phone: 304.363.5360

OTHER:
Agency: West Virginia Bureau for Public Health
Contact: Robert DeCrease
Position: Manager
Phone: (304) 558-2981

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____ Accrued Interest: $ ____
____ Capitalized Interest: $ ____
____ Reserve Account: $ ____
____ Other: $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____ To Escrow Trustee $ ____
____ To Issuer $ ____
____ To Cons. Invest. Fun $ ____
____ To Other: ____ $ ____

NOTES: The Series 2012 A Reserve Account to be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 29-Aug-12

ISSUE: The Town of Beverly
Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Progam/Forgivable)

ADDRESS: 1 Walnut Street, Beverly, West Virginia 26253 COUNTY: Randolph

PURPOSE OF ISSUE:
New Money: x
Refunding: ____

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 29-Aug-12
CLOSING DATE: 29-Aug-12

ISSUE AMOUNT: $50,000
RATE: 0% (no admin fee)

1ST DEBT SERVICE DUE: 100% forgivable
1ST PRINCIPAL DUE 100% forgivable

1ST DEBT SERVICE AMOUNT 100% forgivable
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Citizen's Bank of West Virginia
Contact: Tena Pritt
Phone: 304.636.4095

ESCROW TRUSTEE:
Firm: ____
Contact: ____
Phone: ____

KNOWLEDGEABLE ISSUER CONTACT
Contact: David Harper
Position: Mayor
Phone: 304.363.5360

OTHER:
Agency: West Virginia Bureau for Public Health
Contact: Robert DeCrease
Position: Manager
Phone: (304) 558-2981

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check
____ Accrued Interest: $ ____
____ Capitalized Interest: $ ____
____ Reserve Account: $ ____
____ Other: $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT
____ To Escrow Trustee $ ____
____ To Issuer $ ____
____ To Cons. Invest. Fun $ ____
____ To Other: ____ $ ____

NOTES: Series 2012 B Bonds are forgivable. No accounts are established at the MBC

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: ____
TRANSFERS REQUIRED: ____

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Citizens Bank of West Virginia, Elkins, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Ordinance of The Town of Beverly (the "Issuer") enacted August 13, 2012, and the Supplemental Resolution of the Issuer adopted August 13, 2012 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 29, 2012, issued in the principal amount of $3,800,000 and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), dated August 29, 2012, issued in the principal amount of $50,000 (collectively the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 29th day of August, 2012.

CITIZENS BANK OF WEST VIRGINIA

By: _____
Its: Authorized Officer

074550.00003

5715128

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The Town of Beverly Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 29, 2012, issued in the principal amount of $3,800,000 and Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), dated August 29, 2012, issued in the principal amount of $50,000 (collectively the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 29th day of August, 2012.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

074550.00003

5715234

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of The Town of Beverly (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, dated August 29, 2012, in the principal amount of $3,800,000, numbered AR-1, and the single, fully registered Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), of the Issuer, dated August 29, 2012 in the principal amount of $50,000, numbered BR-1, were registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 29th day of August, 2012.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

074550.00003

5715214

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 29th day of August, 2012, by and between THE TOWN OF BEVERLY, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $3,800,000 Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) and $50,000 Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), in fully registered form (collectively, the "Bonds"), pursuant to the Bond Ordinance of the Issuer duly enacted August 13, 2012, and the Supplemental Resolution of the Issuer duly adopted August 13, 2012 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest, if any, on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: The Town of Beverly
1 Walnut Street
Beverly, WV 26253
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The Registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

10. This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE TOWN OF BEVERLY

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

074550.00003

5715144

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(Please see attached)

Huntington

Huntington Wealth Advisors
900 Lee Street - 2nd Floor | WE3013 | Charleston, West Virginia 25301

STATEMENT OF REGISTRAR'S FEES
Invoice Date August 29, 2012

The Town of Beverly
Account Number 6089001809

The Town of Beverly
Water Revenue Bonds, Series 2012 A
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT
****
FEE CALCULATION FOR August, 2012
****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

and Huntington® are federally registered service marks of Huntington Bancshares Incorporated.

Huntington

Huntington Wealth Advisors
900 Lee Street - 2nd Floor | WE3013 | Charleston, West Virginia 25301

STATEMENT OF REGISTRAR'S FEES
Invoice Date August 29, 2012

The Town of Beverly
Account Number 6089001809

The Town of Beverly
Water Revenue Bonds, Series 2012 B
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT
****
FEE CALCULATION FOR August, 2012
****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

and Huntington® are federally registered service marks of Huntington Bancshares Incorporated.

PWSID# WV3304202

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313 CHARLESTON, WV 25301-3713
Telephone (304) 558-2981

PERMIT

(Water)

PROJECT: Water Distribution & Treatment Plant Improvements **PERMIT NO.:** 18,745

LOCATION: Beverly **COUNTY:** Randolph **DATE:** 2-10-2011

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Town of Beverly
P. O. Box 279
Beverly, West Virginia 26253

is hereby granted approval to: amend and modify Permit 18,547 for the Town of Beverly water system improvements. The project will now consist of the installation of approximately 3,100 LF of 10", 30,620 LF of 8", 4,830 LF of 6", 1,365 LF of 4" and 50 LF of 3" water line; one (1) 150 GPM duplex water booster station with a 3"/6" pressure reducing station; one (1) 150,000 gallon water storage tank; and all necessary valves, controls and appurtenances. Improvements to the Town of Beverly's water treatment plant will consist of a new raw water intake with air backwash; replacement of the filter control panel; replacement of the existing air operated valves with electrically operated valves on the filter piping; add a new filter air wash blower; add filter to waste on the existing filters; add baffling to the clearwell; refurbish and repaint the flocculation tank, plate settler and filters; replace the filter media; add flow metering; add chlorine residual monitoring on the high service pump discharge line; add turbidity monitor on filter #2; add turbidity monitor on common high service pump discharge; add chlorine gas monitor in chlorine room; and all necessary controls and appurtenances.

NOTE: This permit is contingent upon: 1) All unchanged conditions and requirements of Permit No. 18,547 remaining in effect; 2)All new water line and water storage tank being disinfected, flushed and bacteriologically tested, prior to use; and 3) Enclosing the proposed 150,000 gallon water storage tank with a minimum six (6) feet high fence with a locking gate.

The Environmental Engineering Division of the **OEHS Philippi District Office, (304) 457-2296,** is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:plk
pc: Ghosh Engineers Inc
Ingrid Ferrell, PSC-Engineering Division
Amy Swann, PSC
Randolph-Elkins County Health Department
OEHS-EED Philippi District Office

SC-IC-1
(03/11)

GRANT AGREEMENT
(2007W-968SC)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), at the direction of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and THE TOWN OF BEVERLY (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $35,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit B attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Authority and the Governmental Agency hereby agree as follows:

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit A, unless the Council and Authority are provided replacement instructions in writing.

5. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit B.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1, and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed by the respective duly authorized officers as of the date executed below by the Authority.

THE TOWN OF BEVERLY

By: _____
Its: Mayor
Date: August 29, 2012

(SEAL)

Attest: Barbara Smith
_____
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: August 29, 2012

(SEAL)

Attest: Sheila A. Miller
_____
Its: Authorized Officer

{C2382110.1}

[To Be Placed on Letterhead]

Exhibit A

Wiring Instructions

_____, 20__

The Town of Beverly
P.O. Box 279
Beverly, WV 26253

Payor:	**West Virginia Water Development Authority**
Source:	**Grant Proceeds**
Amount:	**$_____**
Date:	**_____**
Form:	**Electronic Funds Transfer**
Payee:	**The Town of Beverly** **P.O. Box 279, Beverly, WV 26253**
Contact Name:	**David Harper, Mayor**
Telephone:	**(304) 636-5360**
Bank Name:	**Citizen's Bank of West Virginia**
Bank Street Address:	**211 Third Street, Elkins, WV 26241**
Bank Contact:	**Tena Pritt**
Telephone:	**(304) 636-4095**
ABA:	**0070823**
Account #:	**051501150**
Account:	**Series 2012 Bonds Construction Trust Fund**

Exhibit B

Project Description

The Project consists of construction and acquisition of certain additions, betterments and improvements for the existing public waterworks system of the Governmental Agency, consisting of upgrades to the water distribution system and treatment plant, and all necessary appurtenances thereto.

Number of New Users: 0
Location: N/A

ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY

DATE (MM/DD/YY) 08/07/12

PRODUCER Serial # A15440

WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED

TOWN OF BEVERLY
PO BOX 279
BEVERLY WV 26253

INSURER A:	NATIONAL UNION FIRE CO OF PITTSBURGH, PA
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR X WRONGFUL ACT X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	000000518	07/01/2012	07/01/2013	EACH OCCURRENCE	$	1,000,000
					FIRE DAMAGE (Any one fire)	$	100,000
					MED EXP (Any one person)	$	0
					PERSONAL & ADV INJURY	$	INCLUDED
					GENERAL AGGREGATE	$	NONE
					PRODUCTS - COMP/OP AGG	$	NONE
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS		07/01/2012	07/01/2013	COMBINED SINGLE LIMIT (Ea accident)	$	1,000,000
					BODILY INJURY (Per person)	$	
					BODILY INJURY (Per accident)	$	
					PROPERTY DAMAGE (Per accident)	$	
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$	
					OTHER THAN AUTO ONLY: EA ACC	$	
					AGG	$	
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE	$	
					AGGREGATE	$	
						$	
						$	
						$	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP		07/01/2012	07/01/2013	WC STATUTORY LIMITS / OTHER		
					E.L. EACH ACCIDENT	$	1,000,000
					E.L. DISEASE - EA EMPLOYEE	$	1,000,000
					E.L. DISEASE - POLICY LIMIT	$	1,000,000
B	OTHER						

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

CERTIFICATE HOLDER | ADDITIONAL INSURED; INSURER LETTER: ____

WV WATER DEVELOPMENT AUTHORITY
180 ASSOICATION DR
CHARLESTON WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Jerry W. Gladwell

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STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **August 29, 2012**

Re: **The Town of Beverly**
1 Walnut Street, Beverly, WV 26253
Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program)

1. DISBURSEMENTS TO THE TOWN OF BEVERLY

A.

Payor:	West Virginia Bureau for Public Health
Source:	Water Revenue Bonds, Series 2012 A
Amount:	$233,578.00
Form:	Wire Transfer
Payee:	The Town of Beverly
Bank:	Citizen's Bank of West Virginia, 211 Third Street, Elkins, WV 26241
Contact:	Tena Pritt 304.636.4095
Acct. No.:	0070823
ABA:	051501150
Account:	Series 2012 Bonds Construction Trust Fund

B.

Payor:	West Virginia Bureau for Public Health
Source:	Water Revenue Bonds, Series 2012 B
Amount:	$-0-
Form:	Wire Transfer
Payee:	The Town of Beverly
Bank:	Citizen's Bank of West Virginia, 211 Third Street, Elkins, WV 26241
Contact:	Tena Pritt 304.636.4095
Acct. No.:	0070823
ABA:	051501150
Account:	Series 2012 Bonds Construction Trust Fund

C.

Payor:	West Virginia Infrastructure & Jobs Development Council
Source:	Grant
Amount:	$35,000
Form:	Wire Transfer
Payee:	The Town of Beverly
Bank:	Citizen's Bank of West Virginia, 211 Third Street, Elkins, WV 26241
Contact:	Tena Pritt 304.636.4095
Acct. No.:	0070823
ABA:	051501150
Account:	Series 2012 Bonds Construction Trust Fund

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THE TOWN OF BEVERLY
2007W-968SC
RESOLUTION OF THE TOWN OF BEVERLY APPROVING INVOICES RELATING TO ACQUISITION AND CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED WATER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, The Town of Beverly has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Water Project funded by DWTRF; IJDC and the Town and find as follows:

a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the Project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED by The Town of Beverly as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	DWTRF (2012 A)	DWTRF (2012 B)	IJDC Grant	Town
Steptoe & Johnson	27,000.00	27,000.00	0.00	0.00	0.00
Huntington Bank	1,000.00	1,000.00	0.00	0.00	0.00
Rodecker	3,036.64	0.00	0.00	3,036.64	0.00
Horizon	16,486.67	0.00	0.00	16,486.67	0.00
Busch Zurbuch & Thompson	31,401.50	18,294.81	0.00	12,476.69	0.00
Town Reimburse	189,423.87	180,191.37	0.00	3,000.00	6,232.50
Region VII	961.51	961.51	0.00	0.00	0.00
Ghosh	5,500.00	5,500.00	0.00	0.00	0.00
Total	274,810.19	233,577.69	0.00	35,000.00	6,232.50

ADOPTED BY The Town of Beverly, at the meeting held on the 13th day of August, 2012.

By:_____
Its: Mayor

SWEEP RESOLUTION

WHEREAS, The Town of Beverly (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer sweeping the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Mayor and the Recorder are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 13th day of August, 2012.

Mayor

Barbara Smith

Recorder

United States Department of Agriculture
Rural Development
West Virginia State Office

August 29, 2012

THE TOWN OF BEVERLY

Water Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2012 B
(West Virginia DWTRF Program)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the entire outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Water Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), in the original aggregate principal amount of $3,800,000 and the Water Revenue Bonds, Series 2012 B (West Virginia DWTRF Program), in the original aggregate principal amount of $50,000 (collectively, the "Bonds"), by The Town of Beverly (the "Issuer"), under the terms of the Bond Ordinance authorizing the issuance of the Bonds (the "Ordinance"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Water Revenue Bonds, Series 1990 (United States Department of Agriculture), dated September 17, 1990, issued in the original aggregate principal amount of $350,000 (the "Prior Bonds"); and (ii) waives any requirements imposed by the Prior Bonds or the ordinance authorizing the Prior Bonds (the "Prior Ordinance"), regarding the issuance of parity bonds which are not met by the Bonds or the Ordinance.

State Director

1550 Earl Core Road, Suite 101, Morgantown, WV 26505
304.284.4860 • 1.800.295.8228 • 304.284-4893 • TTY/TDD 304.284.4836 • Web: http://www.rurdev.usda.gov

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TOWN OF BEVERLY

Water Revenue Bond, Series 1990

BOND ORDINANCE

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TOWN OF BEVERLY

ORDINANCE AUTHORIZING THE ISSUANCE OF THE NOT MORE THAN $350,000 PRINCIPAL AMOUNT OF WATER REVENUE BOND, SERIES 1990, OF THE TOWN OF BEVERLY, JUNIOR AND SUBORDINATE TO THE OUTSTANDING 1963 BONDS OF THE TOWN, TO FINANCE THE COST, NOT OTHERWISE PROVIDED, OF ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE TOWN; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF BEVERLY:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Beverly is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Town of Beverly (the "Issuer"), in the County of Randolph, State of West Virginia, is now served by a public waterworks system, but such system is not adequate. The inhabitants of the Issuer and surrounding area served by the system urgently require that the system be improved as herein provided.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered, that there be acquired and constructed additions, betterments and improvements to the existing waterworks system of the Issuer, consisting of water line extensions, and all necessary appurtenant facilities (the "Project"), particularly described in and according

to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recorder of the Issuer. The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System (as hereinafter defined) after completion of the Project will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Bond (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is $830,000, of which $350,000 will be obtained from the proceeds of sale of the Bond herein authorized and $480,000 will be obtained from a grant by the Purchaser (as hereinafter defined).

E. It is necessary for the Issuer to issue its revenue bond in the principal amount of $350,000 to finance a portion of the cost of such acquisition and construction of the Project in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond prior to, during and for six months after estimated completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bond or for the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

F. The period of usefulness of the System after completion of the Project is not less than 40 years.

G. There are outstanding obligations of the Issuer which will rank senior and prior to the Bond as to liens, pledge and sources of and security for payment, being the Waterworks Revenue Bonds, dated April 1, 1963 (the "1963 Bonds"), issued in the original principal amount of $90,000, of which $51,000 principal amount remaining outstanding, and presumed to be held by various members of the public.

Other than the 1963 Bonds, there are no other outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Bond as to lien, pledge and/or sources of and security for payment.

The Issuer has outstanding its $285,000 Sewer Revenue Bonds, Series 1982 A, and $86,500 Sewer Revenue Bonds, Series 1982 B, which are not payable from or entitled to any lien on or pledge of any of the revenues of the System, or a statutory mortgage lien thereon.

H. It is in the best interest of the Issuer that the Bond be sold to the United States Department of Agriculture, Farmers Home Administration (the "Purchaser"), pursuant to the terms and provisions of a Letter of Conditions dated December 9, 1988, and all amendments thereto (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bond, or will have so complied prior to issuance of the Bond, including among other things and without limitation, obtaining a certificate of convenience and necessity for the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The rates, charges and rules provided in Article VI hereof are in full force and effect and have not been changed by said Public Service Commission.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bond by those who shall be the registered owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Bondholder, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the registered owner of the Bond.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 8, Article 19 of the West Virginia Code of 1931, as amended.

"Bond" means the $350,000 Water Revenue Bond, Series 1990, authorized hereby.

"Bond Legislation" means this Ordinance and all ordinances and resolutions supplemental hereto and amendatory hereof.

"Bonds" means, collectively, the Bond and the 1963 Bonds.

"1963 Bonds" means the Waterworks Revenue Bonds of the Issuer described in Section 1.02G hereof.

"Commission" means the West Virginia Municipal Bond Commission (formerly the State Sinking Fund Commission) or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineer" means West Augusta Company - Technical Services, Elkins, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means Bank of Mill Creek, Mill Creek, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Town Council of the Issuer.

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America.

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means the Town of Beverly, in Randolph County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means the Letter of Conditions of the Purchaser dated December 9, 1988, and all amendments thereto.

"Mayor" means the Mayor of the Issuer.

"Net Revenues" means the balance of the Gross Revenues, as defined below, remaining after deduction only of Operating Expenses, as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bond and into the Reserve Fund and Depreciation Account have been made to the last monthly payment date prior to the date of such retention.

"Ordinances" means, collectively, the 1963 Ordinance and this Bond Legislation.

"1963 Ordinance" means the ordinance of the Issuer enacted April 9, 1963, pursuant to which the 1963 Bonds were issued.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Farmers Home Administration, and any successor thereof.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or

must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is excluded from gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service or Standard & Poor's Corporation.

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Bond.

"Registrar" means the Issuer, which shall usually so act by its Recorder.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"System" means the waterworks of the Issuer as improved, enlarged and expanded by the Project and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system, and shall also include any and all additions, extensions, improvements, betterments, properties or other facilities at any time acquired or constructed for the waterworks system of the Issuer.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender.

Section 1.05. Compliance with Requirements of 1963 Ordinance. The issuance of the Bond junior and subordinate to the 1963 Bonds is permitted without further restriction under the terms of the 1963 Bonds and the 1963 Ordinance. The Issuer is not in default under the terms of the 1963 Bonds, the 1963 Ordinance or any document or agreement in connection therewith and has complied with all requirements of all the foregoing with respect to the issuance of the Bond.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $830,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bond hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 3.01. Authorization of Bond. Subject and pursuant to the provisions of the Bond Legislation, the Bond of the Issuer, to be known as "Water Revenue Bond, Series 1990," is hereby authorized to be issued in the aggregate principal amount of not exceeding $350,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bond. The Bond shall be issued in single form, numbered R-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Bond shall bear interest from the date of delivery, payable monthly at the rate of 5% per annum, and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Bond shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Bond, and the right to principal of and stated interest on the Bond, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bond shall be transferable except by means of transfer of registration of a Bond representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Legislation.

Whenever the Bond shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Registrar with respect to such transfer.

No registration of transfer of the Bond shall be permitted to be made after the 15th day next preceding any installment payment date on the Bond.

Section 3.04. Registrar. The Issuer shall be the Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Bond, and, upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Bond initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bond as hereinbefore provided.

The Registrar shall accept the Bond for registration or transfer only if ownership thereof is to be registered in the name of the Government, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law.

Section 3.05. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Mayor and its corporate seal shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Bond shall cease to be such officer of the Issuer before the Bond so signed and sealed have been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bond shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured

or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bond Secured by Pledge of Gross Revenues. The payment of the debt service of the Bond shall be secured forthwith by a lien on the Gross Revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for, but such liens and pledge are junior and subordinate to the liens and pledge, and in all other respects, of the 1963 Bonds. The Gross Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond after payment of the principal of and interest on the 1963 Bonds outstanding, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due as herein provided.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any ordinance or resolution enacted or adopted after the date of enactment hereof and prior to the issuance thereof:

(Form of Bond)

WATER REVENUE BOND, SERIES 1990

TOWN OF BEVERLY

$350,000

No. R-1 Date: _____

FOR VALUE RECEIVED, the TOWN OF BEVERLY (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of THREE HUNDRED FIFTY THOUSAND DOLLARS ($350,000), plus interest on the unpaid principal balance at the rate of 5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $1,719, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due

under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, betterments and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System in the manner provided in the herein defined Ordinance. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code, as amended (the "Act"), and with an Ordinance of the Borrower authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

This Bond is junior and subordinate, as to liens, pledge and sources of and security for payment, and in all other respects, including, without limitation, as to lien on and source of and security for payment from such revenues, to the 1963 Bonds described in said Ordinance.

TOWN OF BEVERLY
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

Town Hall
(P. O. Box No. or Street Address)

Beverly, West Virginia 26253
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(6)	$	
(2)	$		(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	
		TOTAL		$	

[Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created and established (or continued if previously established by the 1963 Ordinance) with, and shall be held by, the Depository Bank separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund (established by the 1963 Ordinance and continued hereby);

(2) Depreciation Account (established by the 1963 Ordinance and continued hereby);

(3) Reserve Fund; and

(4) Project Construction Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Bond shall be deposited upon receipt by the Issuer in the Project Construction Account. The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Moneys in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holders of the Bonds as follows, subject to the prior provisions for payment of and compliance by the Issuer with the covenants relating to the 1963 Bonds outstanding:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided in the Ordinances.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the terms of the 1963 Ordinance:

(i) The Issuer shall, first, not later than the 15th day of March and September in each year, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Sinking Fund (the "Sinking Fund") established with respect to the 1963 Bonds under the 1963 Ordinance, such sums as will be sufficient to pay the interest which will mature and become due on the next interest payment date and such sums as will be sufficient to pay one-half of the principal which will mature and become due on the next succeeding April 1, all as set forth in the 1963 Ordinance.

The Issuer shall also, from the Revenue Fund, remit to the Commission, on such dates, or at such other times as the Commission shall require, such additional sums as shall be

necessary to pay the fiscal charges due for paying the 1963 Bonds and the interest thereon.

All amounts required for said Sinking Fund shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided in the 1963 Ordinance.

Moneys in the Sinking Fund shall be used only for the purpose of paying principal of and interest on the 1963 Bonds as the same shall become due.

The Issuer shall next, from the Revenue Fund, not later than the 15th day of March and September in each year, remit to the Commission, for deposit in the Reserve Account in the Sinking Fund established with respect to the 1963 Bonds under the 1963 Ordinance, an amount equal to 20% of all amounts required to be paid for maturing principal and interest into said Sinking Fund, as provided above and in the 1963 Ordinance; provided, however, that no further payments need be made into said Reserve Account when there shall have been deposited therein, and so long as there shall remain on deposit therein, an amount equal to the largest amount of principal and interest which will mature and become due on the 1963 Bonds in any succeeding year, all in accordance with the 1963 Ordinance.

Moneys in said Reserve Account shall be used only for the purpose of the payment of maturing principal of or interest on the 1963 Bonds when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. Any moneys withdrawn from said Reserve Account for the payment of principal of and interest on the 1963 Bonds shall be restored thereto from the first revenues available after the payment of all sums required for principal of and interest on the 1963 Bonds.

(ii) The Issuer shall next, each month, on or before the due date of payment of each installment on the Bond, transfer from the Revenue Fund and pay to the National Finance Office designated in the Bond (or such other

place as may be designated in accordance with the Bond), the amount required to pay the interest on the Bond, and to amortize the principal of the Bond over the life of such Bond issue, and the Issuer shall next, by the 15th day of each month, transfer from the Revenue Fund and deposit with the Depository Bank in the Reserve Fund, 1/12th of 1/10th of the maximum amount of principal and interest which will become due on the Bond in any year, until the amount in the Reserve Fund equals such maximum amount (the "Minimum Reserve"). After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for the payments set forth hereinabove, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bond to said National Finance Office (or other place designated) as the same shall become due or for prepayment of installments on the Bond, or for mandatory prepayment of the Bond as hereinafter provided, and for no other purpose; provided, however, that when the Minimum Reserve has been accumulated in the Reserve Fund, all earnings of investments of moneys therein shall at least annually be transferred to and deposited in the Revenue Fund and used for prepayment of the principal of the Bond.

(iii) Thereafter, from the revenues remaining in the Revenue Fund, the Issuer shall next, not later than the 15th day of March and September in each year, pay into in the Depreciation Account, a sum equal to not less than 2 1/2% of the Gross Revenues derived from the operation of the System during the preceding Fiscal Year. So long as the 1963 Bonds are outstanding, moneys in the Depreciation Account shall be used only for the replacement of capital assets of the System or as otherwise provided in Section 3.02(C)(5) of the 1963 Ordinance. When the 1963 Bonds are no longer outstanding, moneys in the Depreciation Account shall be used first to make up any deficiencies for monthly payments of principal of

and interest on the Bond as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom, and, thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Account may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

(iv) Thereafter, from moneys remaining in the Revenue Fund, the Issuer shall next each month pay all current Operating Expenses, subject to terms and conditions of the 1963 Ordinance so long as the 1963 Bonds remain outstanding.

(v) So long as the 1963 Bonds are outstanding, if all the payments required under the 1963 Ordinance are current, the Issuer shall transfer all moneys remaining in the Revenue Fund not needed for payment of Operating Expenses in the remainder of the current Fiscal Year and the next ensuing Fiscal Year, in its discretion either to the Depreciation Account or to the Sinking Fund, for use as provided in the 1963 Ordinance.

(vi) When the 1963 Bonds are no longer outstanding, after all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein may be used to prepay installments on the Bond or for any lawful purpose of the System.

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the Bond in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bond at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Reserve Fund and the Depreciation Account as herein provided, and all amounts

required for the Reserve Fund and the Depreciation Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Article IV other than the Project Construction Account shall constitute trust funds and shall be used only for the purposes and in the order provided in the 1963 Ordinance so long as the 1963 Bonds are outstanding and herein, and, until so used, the Purchaser shall have a lien thereon for further securing payment of the Bond and the interest thereon, which lien shall be junior and subordinate to the lien of the holders of the 1963 Bonds, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided or to place the required amount in any of the funds as provided in the 1963 Ordinance, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Subject to the 1963 Ordinance so long as the 1963 Bonds are outstanding, the Depository Bank, at the direction of the Issuer, shall keep the moneys in the Reserve Fund and the Depreciation Account invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided in the 1963 Ordinance so long as the 1963 Bonds are outstanding or herein, or unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of Investments. Except as otherwise required in the 1963 Ordinance so long as the 1963 Bonds are outstanding or herein, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized

from such investment shall be credited or charged to the appropriate fund or account.

C. CHANGE OF DEPOSITORY BANK. Subject to the provisions of the 1963 Ordinance so long as the 1963 Bonds are outstanding, the Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

E. USER CONTRACTS. The Issuer shall, prior to delivery of the Bond, provide evidence that there will be at least 140 bona fide users upon the Project (or System if authorized by the Purchaser), in full compliance with the requirements and conditions of the Purchaser.

F. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Depository Bank then due.

G. INVESTMENT OF EXCESS BALANCES. Subject to the terms of the 1963 Ordinance so long as the 1963 Bonds are outstanding, the moneys in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of State and municipal funds under the laws of the State of West Virginia.

H. REMITTANCES. All remittances made by the Issuer to the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

I. GROSS REVENUES. The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to prepay the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Purchaser.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than the amount required by the 1963 Ordinance so long as the 1963 Bonds are outstanding and equal to not less than 110% of the annual debt service on the Bond and sufficient to make the payments required herein into the Reserve Fund and the Depreciation Account and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued after issuance of the Bond, except with the prior written consent of the Purchaser.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bond remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon

any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bond.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(d) Workers' Compensation Coverage for All Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the Clerk of the County

Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $50,000 upon the Recorder, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond is outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage. For the further protection of the Holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond, but junior and subordinate to the lien in favor of the holders of the 1963 Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) Failure to make payment of any monthly amortization installment upon the Bond at the date specified for payment thereof; and

(b) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bond or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser as provided in the Act, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 5.09. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year

preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer on file with the Recorder on the date of adoption hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. The Issuer will keep books, accounts and records of the System, in accordance with the Act, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, including, without limitation, the amount of Revenues received from the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants, which report of such audit shall be open to the public for inspection at all reasonable times, and the Issuer shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and repair and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 5.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the rate ordinance of the Issuer finally enacted on June 1, 1989.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and Revenues so received shall be deposited and accounted for in the same manner as other Revenues of the System.

D. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

E. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises. The Issuer shall additionally have such powers as provided under the Act with respect to collection of rates and charges for the System.

F. No allowance or adjustment in any bill for use of the services and facilities of the System shall be made for any leakage occurring on the customer's side of the water meter.

G. The Issuer shall not be liable to any customer for any damage resulting from bursting or breakage of any pipe, line, main, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatever.

H. In case of emergency, the Issuer shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the Issuer.

I. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide Net Revenues to meet its obligations hereunder, but not less than 110% of the annual debt service on all Bonds outstanding.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Defeasance of Bond. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holder of the Bond, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Bond, the pledge of Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bond, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Modification or Amendment. The Bond Legislation may not be modified or amended after final passage without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bond No. R-1. The Mayor is hereby authorized and directed to cause Bond No. R-1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 7.05. Conflicting Provisions Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47) or the 1963 Ordinance.

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required

to exist, to happen, to be performed or to be taken precedent to and in the adoption and enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 7.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Governing Body to contain sufficient information as to give notice of the contents hereof, shall be published once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Inter-Mountain, a newspaper published and of general circulation in the County of Randolph, no qualified newspaper being published in the Town of Beverly, together with a notice stating that this Bond Legislation has been adopted, that the Issuer contemplates the issuance of the Bond, that any person interested may appear before the Governing Body upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Bond Legislation is on file with the Governing Body for review by interested persons during the office hours of the Governing Body.

At such hearing, all protests and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading	May 24, 1990
Passed on Second Reading	May 31, 1990
Passed on Final Reading Following Public Hearing and Effective	June 12, 1990

Mayor

Recorder

06/18/90
BWJ.A4
07455/89001

(Form of Bond)

WATER REVENUE BOND, SERIES 1990

TOWN OF BEVERLY

$350,000

No. R-1 Date: _____

FOR VALUE RECEIVED, the TOWN OF BEVERLY (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of THREE HUNDRED FIFTY THOUSAND DOLLARS ($350,000), plus interest on the unpaid principal balance at the rate of 5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $1,719, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due

under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, betterments and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System in the manner provided in the herein defined Ordinance. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code, as amended (the "Act"), and with an Ordinance of the Borrower authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

This Bond is junior and subordinate, as to liens, pledge and sources of and security for payment, and in all other respects, including, without limitation, as to lien on and source of and security for payment from such revenues, to the 1963 Bonds described in said Ordinance.

TOWN OF BEVERLY
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

Town Hall
(P. O. Box No. or Street Address)

Beverly, West Virginia 26253
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(6)	$	
(2)	$		(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	
		TOTAL		$	

[Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____